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Formerly Millard's Review

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THE ANNUAL MEETING and election of officers of the American Chamber of Commerce of China, which was held last week, calls to mind the peculiar responsibility of that body in the present period of reconstruction which is taking place in China. The anomalous situation of Americans in China has long been recognized. Americans reside in China and do business in China subject to American law, but on the other hand Americans in China, although they number several thousands and conduct business enterprises of great magnitude, have no representation in the Congress of the United States. The smallest village in the United States may exercise more influence in the framing of legislation than the whole American interest in China, and for the simple reason that the American citizen at home no matter how humble has the right to vote while the American in China is through necessity disfranchised. This peculiar situation of the American in China emphasizes the importance of organization and especially the type of organization as represented in the American Chamber of Commerce. The American Chamber of Commerce should faithfully represent every American commerical interest in China and as such should receive the support of all American individuals and firms who are interested in commercial pursuits in this country. The Chamber of Commerce through its affiliation with similar bodies in the United States is in a position to make its voice heard in Washington. If proper and intelligent use is made of these home connections, the American Chamber is in a position to exercise great influence upon American policies in this part of the world. In this way the interest of the American individual in China is best served even though he has no vote. The American individual in China who does not think he is well represented by his Chamber of Commerce should make his voice heard, for a person derives benefit from a voluntary organization in about the same proportion that he puts efforts and energy into that organization. Mention is made of these points here because of the present situation in China which is most serious. The average American at home is likely to think that the entire Far Eastern problem is entirely settled for the simple reason that the Washington Conference adopted a number of treaties and everybody went home outwardly satisfied. The facts in the case are that the Washington Conference instead of settling everything left a lot of vital matters unsettled and started a number of new ones.

The political-financial situation in China today is in every way just as serious as it was at the close of the Boxer rebellion or at the time of the formation of the republic. From the standpoint of future American interests in China the present situation in China is most critical and deserves the closest possible watchfulness on the part of Americans in China and their government at home. For this reason the new committee of the American Chamber occupies a position of great responsibility for it is altogether possible that the magnitude and extent of future American activity in China depends quite largely upon the direction which the present reconstruction of China takes.

CHINESE AND JAPANESE delegates sitting in conference in Peking now are considering issues, upon the settlement of which hinges the question of whether or not the China Open Door Policy, agreed upon in Washington a few months ago, is to be real or merely theoretical. These delegates were appointed by their respective governments to arrange details for the return to China of territorial rights in Shantung province held by Japan for eight years. These negotiations concern not only China and Japan but also every nation and every person of the world interested in the fundamental questions considered in the Far Eastern discussions at the Washington Conference. When the conference just now opening in Peking comes to a close the record of the initial step in the practical application of the Washington Conference agreement will have been written. While the conference is participated in only by representatives of these two Oriental nations every other nation is an interested third party. The decisions will be weighed and judged wherever there is a friend of China or Japan. The effects of these decisions will be felt in international politics and world commerce. Commerce may be expected to make the first response to the decisions. The business man of the word will pass judgment and will announce his judgment through the course he takes. If he decides that the Open Door Policy is a reality he will back his judgment with his capital; if he decides otherwise he will protect his capital with his judgment. The degree to which capitalists from the West are inclined toward participation in the commerce of this bit of Oriental territory, upon which the eyes of the world have been centered many times since 1919, will determine the extent to which the door is considered open.

JAPANESE only a short time ago looked upon Shantung as permanent Japanese territory, politically and commercially. They made their commercial calculations accordingly, invested on the basis of what they saw in prospect. Later development necessitated changing their plans to some extent, but they have continued to consider this a field in which they can dominate commerce. With this idea in mind the Japanese delegates enter the conference in Peking. The Chinese delegates enter the conference knowing full well that their task is not easy. A thorough realization of the meaning of this conference and the decisions arrived at in it prompted Dr. C. T. Wang, high commissioner of the Chinese delegation, in giving utterance to the following sentiment in his opening address at the initial session of the conference:

"The Conference at Washington has settled only the main principles regarding the disposition of this big problem, and it remains for us all to work loyally in working out the detailed arrangements and carrying out the provisions of the agreement concluded in Washington. Therefore the conference in which we shall now participate is but a continuation of that held in Washington. The scope of our labors will be limited by the fundamentals decided upon in Washington, but our duties will no doubt be more arduous than those confronting our respective delegates at Washington. This is because it is one thing to discuss and decide a question, but quite another thing to carry out the decision."

This expression from the high commissioner of the Chinese delegation indicates that he realizes the need of moral support for the delegates in this conference. His utterances testify to his understanding of the fact that China still can lose the fruits of the victories won in the Washington Conference, that the battle is not won until the terms of peace are settled in detail.

IT CAN BE TAKEN as axiomatic that the American government, having gone so far as to call the Washington Conference and to carry it through to a fairly successful result, will exert strong efforts to make the treaties effective. In other words, China can count on the active support of the United States in putting the treaties into effect, *provided that the Chinese display any capability in national reorganization and construction.* It may also be taken as a definite conclusion that China will require a certain measure of foreign support and assistance in uniting and reorganizing the nation. This opinion is held not only by foreign friends of China but by intelligent Chinese as well. The problem for China therefore will be to make this needed foreign support and assistance *conform to the letter and spirit of the Washington treaties.* Any proposed solution which does not so conform to the treaties will be invidious to China and will encounter the opposition of the American government; consquently it will have a poor prospect to succeed, indeed it almost surely will be doomed to failure. These facts should also be noted by the representatives of other foreign governments and commercial interests represented in this part of the world. Owing to the present financial stress that exists in Chinese government circles, there are all kinds of schemes in circulation for providing relief. Some of these schemes which have come to our attention, would, if put into effect, have the general result of nullifying the Washington treaties. It would be well for China to examine closely into such schemes and move slowly, otherwise the result might be disastrous not only for China but for those responsible for the scheme in question.

IT might also be well to call attention to the close analogy in the general status and policy of this next step in China's rehabilitation with China's international position prior to the Washington Conference. After the Paris Conference that ended the European War, China's safety depended on obtaining a revision of certain provisions of the Versailles Treaty, and pending an opportunity for such revision it was essential that China's rights and position should not be qualified by any confirmation of the acts of the Versailles treaties. To this end all efforts to induce a "separate" settlement with Japan of the Shantung and other questions were declined. Likewise, an effective readjustment of China's international financial and economic position now depends on getting these matters included in the agenda and acts of any international economic conference that may be held. It is altogether possible that the American government may call such an

international economic and financial conference within the coming year. For this reason great precaution should be taken by China to see that her position in such a conference is not impaired in any way by the adoption of a scheme or schemes that might ease the present stringency, but might work havoc in the future. There are distinct indications of a purpose on the part of certain Powers to induce the Chinese government to enter upon negotiations leading to arrangements for some kind of adjustment, or "refunding" of certain financial obligations of the Chinese government. While it is not possible to say at this time what form these proposals may take, all such propositions *should be scrutinized with the greatest possible care* to discover how they, if agreed to by China, might affect China's position and prospect to obtain a sweeping readjustment into any great international economic and financial conference that may be called by the American government.

IT may be assumed naturally that special "refunding schemes" which may be advanced now on the part of certain Powers, may have the object and be calculated to *confirm certain foreign economic advantages in China which are fundamentally contrary to the spirit of the Washington treaties.* China should be on guard against moves of this character, however cleverly they may be camouflaged. It very likely will occur that the pressing need of the Chinese government for funds will be made the occasion to secure confirmation of such foreign advantages by making small advances to "tide over" the stringency. Any financial scheme for example that would relieve the stringency existing in the Ministry of Communications by making advances in exchange for some plan of consolidation of railways that would give any one nation a monopoly of supplies through a sole purchasing agent, would certainly come in this catagory. China's adherence to any such scheme would at once put her "out of court" in the future proposition for a general world debt refunding plan that might be adopted at an economic conference. China's chance to obtain a sweeping readjustment of her present difficulties in conformity with the Washington treaties lies almost entirely in getting the American government interested in the situation out here. In view of advices from Washington now being received the American government is interested in the financial situation now existing in China, but the American government will be handicapped in adopting and carrying out any future policy of assisting China, if the Chinese government should enter into fresh engagements qualifying its financial position and conferming in any degree certain aspects of foreign fiscal hold on China. This is a matter of vital importance and a matter for the Chinese people generally to watch with utmost care. The present policy of certain Chinese officials in Peking in playing fast and loose with American obligations, while meeting European obligations, shows the tendency. There is also a word of advice in all this for Americans interested in China: they should be equally cautious and watchful of the present situation in China and the American government should be kept fully informed of moves on the part of certain Powers to come to China's financial assistance at this time. European powers which are defaulting on principal and interest of their obligations to the United States, logically should not be permitted to foster schemes in this part of the world which would have the effect of barring future American enterprise through infringements of the Open Door. Furthermore the present tendency of certain foreign interests in the unrestricted borrowing of American money for the purpose of carrying out and consolidating concessions in China should be stopped forthwith otherwise the Washington Treaties will not be worth the paper they are printed on.

Principles of International Law Advocated by China at Washington *

BY W. W. WILLOUGHBY

IT is my purpose neither to plead the justice of China's case as presented at the Washington Conference, nor deal specifically with the determinations of that Conference. Rather it will be my effort to present certain of the abstract principles of international law and of international right which were advanced by the Chinese delegation or which were implicit in the propositions presented to the Conference by that delegation, and which, it may be assumed, will continue to be held by the Chinese government. Space will not permit a full discussion of these principles, but their character and importance can be indicated, and thus, if I do nothing more, I shall be able, I hope, to point out the more significant respects in which the relations of China with the other Powers furnish material for discussion by international lawyers as well as for consideration by statesmen and by others interested in international politics.

First of all there is the question as to the circumstances under which, or the principles in accordance with which, the validity of existing agreements between sovereign nations may be attacked. This inquiry, it will be remembered, was raised by the Chinese in connection with the Sino-Japanese Treaties and Agreements of May 25, 1915, which resulted from the so-called Twenty one Demands which Japan presented to China in January of that year. These treaties and agreements were presented to the Conference with a view to their reconsideration and cancellation. (1)

The circumstances under which these agreements were obtained are well enough known to make it unnecessary to review them here. It is sufficient to say that the demands upon which they were predicated were made at a time when China and Japan were in full friendly relations; that they were not in adjustment of pending controversies; that Japan made no pretense of offering a *quid pro quo* for the valuable concessions she insisted upon; that the demand for these rights was in violation of engagements which Japan had with the other Powers; that they equally called upon China to enter into undertakings that were in violation of treaties between herself and other Powers; that they were in serious derogation of China's administrative integrity; and, finally, that China's signature to them was compelled by an ultimatum upon Japan's part which threatened immediate war if it was not given.

In the Conference Japan made no attempt to defend the equitable character of these agreements, but contented herself with asserting that "if it should once be recognized that rights solemnly granted by treaty may be revoked at any time on the ground that they were conceded against the

* Address before International Law Association, April 27th, 1922.

(1) Minutes of the Sixteenth Meeting of the Committee on Pacific and Far Eastern Questions.

spontaneous will of the grantor, an exceedingly dangerous precedent would be established with far reaching consequences upon the stability of the existing international relations in Asia, in Europe and everywhere."

The issue was thus gravely joined, though not decided by the Conference, under the circumstances that have been mentioned. International law furnishes many principles in accordance with which a nation, so grievously wronged as China had admittedly been, could herself rightfully correct that wrong, or, in accordance with which other nations might rightfully take remedial action. It must be confessed that, if such international principles do not exist, there is a want that must be supplied before international jurisprudence can claim to furnish an adequate set of doctrines or a procedure in accordance with which the essential rights of the members of the society of nations may be recognized and applied. The proposition advanced by China thus raised a question which is well worthy of careful consideration by such a body as the American Society of International Law.

As the purpose of this paper is to state rather than to discuss the principles of international law and of international justice which were involved in China's program at the Conference, I shall limit what I have to say upon this point merely to propounding certain inquiries:

1. Will it not be admitted that China will be justified, whenever she is in a position to do so with the possibility of success, in declaring the abrogation of those agreements? As pertinent to this question it may be noted that at the time these agreements were signed and notified to the Powers, China declared that she had been influenced by the desire to preserve the Chinese people as well as the large number of foreign residents in China from unnecessary suffering, and to prevent the interests of friendly Powers from being imperiled; and that she disclaimed any desire upon her own part to depart from the various agreements which she had with those Powers for the preservation of the *status quo* and the principles of the equal opportunity for the commerce and industry of all nations in China.

2. Can it not be said that these Treaties and Agreements of 1915 were invalid by reason of the fact that, taken in connection with the circumstances under which they were signed, they were in violation of those fundamental principles of right upon which the whole body of international law is founded?

Leaving aside the laws of war which have for their purpose the reduction to the lowest limits of the evils of armed strife among the nations, the essential purpose of international law must be conceded to be the provision of principles governing the relations of sovereign states to one another which will so far as possible, enable each of them to advance their own legitimate interests without prejudicing the legitimate interests of others, and which will thus enable all to live in harmony and in reciprocally helpful relations to one another,—in other words, to maintain international peace and cooperation.

For the realization of this purpose, international law founds its precepts upon certain premises with regard to the ethical rights of sovereign states which all other sovereign states are to recognize and respect. These are rights which the states in which they inhere has the legal as well as the equitable right to defend against violation. But, as viewed by other states, they are necessarily only ethical in character. This arises from the fact that international jurisprudence starts from the premise that each independent state is a sovereign body-politic, that is, that it has, legally speaking, unlimited powers. It has, therefore, full discretionary legal right to determine when, and under what circumstance, and for the attainment of what purpose, it will declare or threaten war against another state or take any other aggressive action toward it. Thus, at a stroke, all possibility of illegal acts upon its part is rendered impossible unless it be held that the exercise of a legal right by a state which is in violation of the fundamental principles of justice upon which international jurisprudence is itself founded is, regarded in the light of that jurisprudence, an illegal act, and, therefore, one that is voidable by those injured by it, if not void *ab initio*.

Not to admit the foregoing conclusion destroys the foundations upon which international society rests. The Allied and Associated Powers in the Great War took this ground when they asserted that there existed a right and even an obligation upon their part to correct the wrongs done in the past to Poland; to restore and indemnify Belgium; and to return to France the two provinces which, by the Treaty of Frankford, in 1871 she had ceded to Germany. Was not the Chinese delegation at the conference correct, then, when it declared that a precedent would be established with consequences upon stability of international relations that could not be estimated, if, without rebuke or protest from other Powers, one nation could obtain from a friendly but militarily weaker neighbor, under circumstances such as attended the negotiation and signing of the Agreements of 1915, concessions which were not in satisfaction of pending controversies and for which no *quid pro quo* was offered? "These treaties and notes," the Chinese delegation declared, "stand out, indeed, unique in the annals of international relations. History records scarcely another instance in which demands of such a serious character as those which Japan presented to China in 1915, have, even without pretense of provocation, been suddenly presented by one nation to another nation with which it was at the time in friendly relations. No apprehension need be entertained," the Chinese delegation continued, "that the abrogation of the agreements of 1915 will serve as a precedent for the annulment of other agreements, since it is confidently hoped that the future will furnish no such similar occurrences."

Another question important to students of international law raised by the recent relations of China to the other Powers is as to the binding force of treaties which have not been ratified by one or more of the parties signatory to them in accordance with the mandatory provisions of their respective systems of constitutional law. Involved in this question is also the inquiry as to the extent to which one Power in dealing with another Power is held to know the constitutional provisions of that other Power. The present speaker had found no satisfactory discussion of this subject in international legal literature. In a treatise on American constitutional law, published some ten or twelve years ago, he ventured to assert that governments may be held to a knowledge of the treaty-making provisions of the constitutions of the other states with which they negotiate treaties, and that, therefore, for example, nations dealing with the United States have not just ground for complaint when agreements negotiated with the American executive fail to secure the approval of the United States Senate, and, of course, have no basis for a claim that the agreements should be deemed binding upon the United States even though not thus approved.

It is a notorious fact that none of the treaties and agreements entered into during recent years with China have received that parliamentary approval which its constitution requires.

The matter of the binding force of an international agreement becomes a still more critical one when it is one that has been negotiated and signed by an official who has had no constitutional authority so to do. Thus the Sino-Japanese agreement of September 24, 1918, with reference to certain phases of the Shantung Question, had no firmer basis than the acceptance by the Chinese Minister for Foreign Affairs. So far as the present speaker is aware, no evidence has been produced to show that the Chinese representative had received authority from his government to accept these conditions, or that his acceptance of them was subsequently ratified by his government. And yet this agreement had played an important part in the discussion of the Shantung Question.

In close connection with the foregoing question is the one as to the continuing force of executive understandings such as those embodied in the Root-Takahira Agreement of 1908 and the Lansing-Ishii Agreement of 1917. In his testimony before the Committee on Foreign Relations of the United States Senate, Secretary Lansing, when asked as to his understanding of the binding force upon the United States of his agreement with Baron Ishii, replied that it had none,—that it was simply a declaration of the policy of the President or of the Department of State and terminable at his or its pleasure. And yet, though this agreement has given rise to grave misgivings in this country, and has had attached to it in Japan a significance different to that ascribed to it here, our government has not felt free to declare, in so many words, its termination. Not even at the Conference was this done. Since the adjournment of that body, we have had the communication of March 8, 1922, of the President of the United States to the Senate which declared that the agreement had never constituted more than a declaration of executive policy, and, of course, could not have any effect inconsistent with treaties existing at the time it was declared or subsequently entered into. But, even in this communication, the President does not assert that the agreement has been abrogated. He says merely that it has no binding effect in any sense inconsistent with the principles and policies explicitly declared in the Nine Power Treaty approved by the Powers at the recent Washington Conference.

It would seem, then, that executive agreements or understandings of the character of which I have been speaking, furnishes a subject to which international jurists might profitably devote attention.

Had the Shantung Question been formally discussed in the Conference, the Chinese delegation would have raised the question of the effect of her declaration of war upon Germany upon the treaties then existing between herself and Germany. Here also it appears that the international juristic literature is not satisfactory, or, at any rate, that international lawyers have not been ably to state a rule that can be easily and certainly applied for determining what treaties are and what treaties are not abrogated, or rightfully subject to abrogation, when war arises between the parties to them. Specifically, was the Sino-Germany Treaty of Lease of March 6, 1898, transitory or non-transitory in character. If it had provided for an alienation or cession of the Kiaochow area to Germany it would certainly have been transitory in character. But, in fact, the treaty expressly reserved the sovereignty of China over the area, and provided merely that, for a given term of years, the German government might exercise certain rights therein, and that the Chinese government would abstain from exercising any of its sovereign rights there without the previous consent of Germany. Did those provisions render the treaty non-transitory in character? In the preamble of the treaty it was declared that one of its purposes was "to develop the economic and commercial relations between the subjects of the two States." Was this statement sufficient to give to the treaty a commercial character such as to render it non-transitory in character?

Another interesting legal question connected with the Sino-German Shantung Treaty, which expressly declared that Germany engaged at no time to sub-let the territory to another Power, was whether Germany obtained or could obtain the right to transfer her interests to Japan (as provided in the Treaty of Versailles) by reason of the undertaking given by China to Japan in one of the treaties resulting from the Twenty-one Demands, "to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests and concessions which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung." Was the Sino-Japanese agreement *res inter alios acta*, so far as Germany was concerned and therefore one from which she could derive no power? Was it therefore within the competence of Germany to transfer to Japan the rights and interests referred to in Article 156 of the Versailles Treaty? Of course all this is now a matter of the past, but the jurisprudential principles involved are of continuing significance. (1)

A further point of great importance raised in the Conference with reference to the denunciation of treaties was that contained in the declaration by Senator Underwood with regard to the right of China, upon an appropriate occasion, to escape, by a unilateral act upon her own part, from the present treaty limitations upon her power to control her own tariff policies.

When the Nine Power Treaty Relating to the Chinese Customs Tariff was under discussion, Senator Underwood, as reported in the minutes of the Conference, said:

> He might be wrong in this matter, but he believed this treaty was not on the same basis as many other treaties involving great national rights. This was a trade agreement, a trade contract, which China had made with the other nations of the world, and he thought China had a right to denounce these treaties when she thought proper. He thought this was clearly her right, because no question of national right was involved; it was merely a question of trade agreements, and agreements of that kind had been made in the past to extend over a period of time, or an indefinite period of time, and, when conditions changed so that they worked a great disadvantage to one or others of the contracting parties, it had been recognized in the past that such trade conventions might be eliminated.*

Another respect in which occurrences in China have showed that the principles of international law were not well determined is with reference to the right of one state to send into or to station its troops within the territory of another state for the protection there of the nationals of the sending state.

It is, of course, well recognized that, under certain circumstances the sending or stationing of troops is

(1) The writer owes to Dr. James Brown Scott the suggestion of these last two points.

*This view was reported by Senator Underwood in the United States Senate when the treaty relating to China's tariff was under consideration.

justified by accepted principles of international law, but, it is clear that these principles by no means cover some of the cases in China to which the Powers have attempted to apply them. It is my opinion that the Chinese delegates stated the correct doctrine when they said with reference to the sending or stationing of foreign forces within the territory of another State without its express consent:

"(This) can rightfully be only a temporary measure in order to meet emergencies that threaten imminent danger to the lives and property of the nationals of the states taking such action, and, upon the passing of such emergency, the forces sent should be immediately withdrawn. It is also the understanding of the Chinese delegation that the obligation to make such withdrawal cannot, as a general principle, be rightfully postponed until the government of the state where they are located has consented to an inquiry by the representatives of other Powers into its own domestic conditions as regards the maintenance of law and order, and a report has been made declaring that there is no necessity for the presence of such foreign armed force. In other words, it is the understanding of the Chinese delegation that accepted international law recognizes the basic right of every sovereign state to refuse its consent to the sending into or the stationing within its borders of armed forces and that while it may, by an exercise of its own will, consent that an inquiry shall be made as to the necessity in fact of the continuance within its borders of such foreign armed forces as may be thereof, such action upon its part, or a resolution by other Powers offering their cooperation in such an inquiry, is not to be deemed in derogation or limitation of the inherent right of a sovereign state to refuse entrance into, or further continuance within its borders, of foreign armed forces."

How far Japan has departed, and still departs, from the rule thus stated is conspicuously shown in her refusal to withdraw from the city of Hankow and vicinity the troops which she has had there since 1911. There are, indeed, five reasons why this refusal is an unreasonable one, and therefore evidence of an indisposition upon Japan's part to pay to China that respect due to her as a friendly sovereign Power. In the first place, the troops have now been maintained there for more than ten years—their stationing therefore, despite assertions to that effect, can, with difficulty, be termed only temporary in character. In the second place, Hankow is a place far in the interior of China and therefore the sending or stationing of troops there cannot be justified by analogy with the frequent occasions upon which states have felt themselves at times obliged to land troops upon the coasts of other states. In the third place, there are at Hankow many nationals of other States the governments of none of which, during these years, have deemed the situation one that required them to send troops. In the fourth place, these various groups of nationals for the most part do not live throughout the native Chinese city of Hankow, but reside in special municipal settlements or concessions with their own systems of police. Fifthly and finally, there are constantly upon the Yangtze River upon which Hankow is located, numerous gun-boats of the various Powers ready at all times to give prompt assistance and protection to foreign nationals should sudden emergencies arise. For these reasons it seems evident that the continuance of the Japanese troops at Hankow furnishes a conspicuous instance in which Japan has shown, and still shows, her unwillingness to respect the rights of China. Aside, however, from the inequity of her conduct in this respect, one finds it difficult to determine the grounds upon which Japan defends it even as matter of *Realpolitik*.

Other questions of international law involved in China's relations with the other Powers, which would be worthy of discussion if there were time, are those relating to the scope and operation of the most-favored nation doctrine; the propriety or rather the impropriety, of maintaining "police boxes" as is done by Japan in connection with the exercise by her consular jurisdiction in China; and the operation of Inter-Power agreements relating to China but to which she is not a party.

The Foreign Banks and the Chinese Customs Funds*

DR. Westel W. Willoughby, professor of political science at Johns Hopkins University and technical expert to the Chinese delegation at the Washington Conference, has just issued a report on the Conference which contains nearly a full chapter on the subject of the monopoly of Chinese government funds which is held by the Hongkong and Shanghai Banking Corporation. In view of the relation of this subject to the meetings of the special international tariff conference now being held in Shanghai it is deemed timely to reprint Dr. Willoughby's statement as well as a more detailed report which was written by Dr. C. J. Fox, editor of the *North China Star* of Tientsin, who was at Washington during the Conference on Limitation of Armament and made a special study of this matter.

"In connection with the question of China's customs tariff there was brought up by Mr. Underwood, American delegate at the twenty-ninth meeting of the Committee of the Whole, the matter of the deposit in the banks of China of the moneys collected through the Chinese customs.

"It had been originally provided that certain portions of the Chinese customs receipts should be set apart for meeting the interest and amortization charges on the bonds issued in payment of the Boxer Indemnities. These had been deposited entirely, or almost entirely, in the Hongkong and Shanghai Bank and the Russo-Asiatic Bank. This, of course, had been of great advantage to those institution, as compared with the other banks in China which had received no such deposits. In this connection he would read the following statement which had been submitted to the sub-committee by Mr. Odagiri in behalf of the Japanese government;

> 'Japan not only has no objection to, but welcomes, the proposal that the existing customs system of China should not be disturbed. In the meantime she must express the hope, in view of the important position which her Chinese trade occupies in the entire foreign trade of China and Japan's resulting large contribution to the Chinese customs revenues, that a fair and suitable adjustment may be effected with the above fact in view in regard to the future operations of the customs system; that is to say, concerning such matters as the custodian banks and the proportion of foreign nationals to be employed in the customs staff. We desire to make it clear, however, that this is not proposed as a condition of our acceptance of this agreement, but only as a frank expresssion of our desire. It is hoped that such special conference, as is mentioned above in its deliberations upon the conditions involving questions such as custody and supervision of tariff revenue, should take into consideration the above expressed desire of Japan.'

"The delegates of France, Italy, Belgium, and Holland had associated themselves in this matter with the Japanese delegation.

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*"China at the Conference—a Report" by Westel W. Willoughby. 1922: The Johns Hopkins Press: Baltimore.

"Senator Underwood said that the deposit of the revenues that had already been allocated to the Chinese debts could not be changed since that was a part of the contract, but that the surplus revenues were free to be deposited in such banks as might be determined upon. Providing for the additional surtax of 2½ percent the special conference which was to be convened at Shanghai would have the right, with, of course, the consent of China, to a reallocation of these funds in the various solvent banks in China. The Conference at Washington, he thought was not in a position to settle the matter.

"Dr. Koo upon this point spoke as follows: Prior to the revolution of 1911 the customs revenue that was collected in the ports was all deposited in the so-called Chinese Customs Bank, under the supervision of Chinese authorities, and the customs administration itself did not have the handling of the money. They issued receipts and clearance only on the production by the merchant of the receipts issued by the Customs Bank certifying the customs duties had been paid. As the time arrived, from month to month, for the payment and discharge of obligations incurred for the Boxer Indemnity and also for the foreign debts, the money was paid over. That arrangement proved very satisfactory, and there was the testimony of the Inspector General of Customs on record that that arrangement would work very satisfactorily, and that there never was a single instance in which there was any difficulty in meeting the foreign obligations promptly and on the day they were due.

"In the course of the revolution of 1911 various disturbances broke out in various parts of China, and lest there might be delays or interference with the discharging of the foreign obligations, it was proposed that the custom revenues should be deposited temporarily in certain foreign banks to which Senator Underwood made reference a little while ago. While that arrangement was intended to be merely provisional, however, the practice of depositing customs revenues in those designated foreign banks continued. It had this effect on the commercial and financial situation in the various cities of importance, that, prior to the revolution, when money was deposited in the Chinese Customs Bank, of course it flowed into the various channels of the market to meet commercial and industrial needs in each community, and in that way the money market was always more or less easy and there were very few occasions when crises of a financial character arose. Since the new arrangement was introduced, however, of course all the customs revenue went into the foreign banks, and the money was now no longer quickly accessible to Chinese customers for legitimate purposes of commerce and trade as it had been heretofore with the result that from time to time constant anxiety prevailed in the Chinese commerce and trading communities because money was scarce and tight. Therefore, the Chinese bankers had made the suggestion more than once, and had drawn the attention of the Chinese government to the fact, that some steps should be taken to modify the present provisional arrangement. He, therefore, wished not only to associate himself with Senator Underwood in his suggestion but to add that when the time came for considering the question on the reallocation, if in the opinion of the representatives at that time conditions were not yet such as to permit a completete version to the former practice, at least a part of the deposits should be allocated to those Chinese banks where were generally recognized as being sound and solvent.'"

The following detailed account of the discussions on this subject which tcok place at the Washington Conference was written by Dr. C. J. Fox, editor of the *North China Star*, who represented his paper in Washington during the meeting:

"When the special international conference, provided for by resolution of the recent Washington Conference, meets in the near future in Shanghai to undertake the revision of China's tariff rates in order to bring them up to an effective 5 percent ad valorem duty on all imports, one of the many complicated situations it will be called upon to remedy is the present virtual monopoly of the Hongkong and Shanghai Banking Corporation as depository and custodian of the customs funds of the Chinese Maritime Customs Service.

"The undue power to certain institutions by reason of these government deposits" was brought up for discussion in the Committee on Pacific and Far Eastern Questions at the Washington Conference largely through the efforts of Mr. Odagiri, director of the Yokohama Specie Bank, who represented the Japanese government on the subcommittee to which the problem of China's tariff was referred. Mr. Odagiri's suggestion received the support of the French, Italian, Belgian, Netherlands, American and Chinese delegates. Only the British and Portuguese failed to express approval.

"According to treaty stipulations, it is agreed that as long as British trade with China exceeds that of any other foreign country, the Inspector General of Customs shall be a British subject. After the revolutionary troubles in 1911, it was decided that funds from the Maritime Customs pledged for foreign loans should, for reasons of safety be deposited in foreign banks, and as a result the great bulk of the funds, which in 1921 amounted to about 54,500,000 taels, was deposited in the Hongkong and Shanghai Banking Corporation. When this measure adopted during the troubled days of the Revolution of 1911, began to show signs of becoming a permanent custom, the opposition of the other banks in China, both foreign and Chinese was aroused.

(Dr. Fox here quotes Mr. Odagiri the Japanese delegate as appears above in Dr. Willoughby's report)

"And then the notes reported by the secretary general's office added:

"'The delegates of France, Italy, Belgium and Holland associated themselves with the Japanese delegation.'"

"The subject was brought up for discussion by Senator Underwood, who was chairman of the subcommittee, at a meeting of the full committee on February 1. What happened in the committee meeting on this important subject, is described as follows in the official minutes:

Senator Underwood said that at the time the subcommittee considering the customs revenue of China was holding its sittings, a question arose which met with the general approbation of the members of the subcommittee, but was not reported to the full committee. Since that time it had been suggested that the chairman ought to call the matter to the attention of the full committee in order that the record of the full committee might contain the statement. It related to the question of the deposit of moneys collected under the customs revenues in the banks of China.

"After the treaties were made in relation to the indemnities growing out of what was called the Boxer movement, it was provided that certain portions of the Chinese customs revenue should be set apart to meet the interest and amortization charges on the bonds issue at that time, and those customs revenues were deposited entirely or almost entirely, in the Hongkong-Shanghai Bank and the Russo-Asiatic Bank. The amount of those revenues had been great and, of course, was of great value to those institutions as compared to the other banks in China. He thought it was admitted that the allocation of those funds under the agreement made at the time of the issues of these bonds that he referred to a moment ago was a matter of contract and that portion of the revenue derived must continue to be deposited according to the understanding of the contract at the time.

"Of course, the free revenue above the charge for amortization and interest on these bonds was at the disposal of the Chinese government.

"As a matter of fact, he thought, on account of the revenue being collected paying less than 5 percent effective there had not been much of a balance sheet on the side of the Chinese government, but under the resolution passed to make this 5 percent effective that revenue would be largely increased. Of course, so far as the revenue was concerned that was allocated to this particular purpose; that is still controlled by the original allocation and the terms of it; but as to the balance, it was free revenue for disposition in any bank, of course, controlled primarily by the Chinese government.

"Senator Underwood wished to say that at the same time he also stated that he recognized the fact that the revenues that had already been allocated to the Chinese contracts would not be changed because they were part of an existing contract, but other additional revenues were free to be deposited in such banks as could be determined.

"He thought that so far as the present 5 percent tariff was concerned, there could be no question that that which had been allocated to the payment of the interest on the bonds already issued, could not be deposited with the banks named before. As to the balance of that 5 percent, it was free to be deposited in either bank when it was not needed, when it was turned over to the Chinese government.

"Now, as to the new revenue that was to be derived by the additional surtax of 2½ percent, that would be in the control and under the determination of the special conference when it met, and that conference, in determining the putting into the effect of this 2½ percent surtax would have the right and power, with the consent of China, of course, to a reallocation to these funds in the various solvent banks in China.

"He did not think it was a question that this conference could settle; he thought it was far better to leave it to the special conference that had already been ordered to handle the customs tariff, because of power with the consent of China, they would be in touch with the situation, they would know better what to do.

"Senator Underwood wished in conclusion to say that though he had no doubt that the two banks that had handled in the past the revenues of China, had done so efficiently and in an honorable way and effectively yet for the large amount of revenue collected for governmental purposes in China to continue to go through separate banking institutions and all the other banks of China be deprived of deposits of that kind, would naturally lead to misunderstanding—not serious misunderstandings but it did not appear to be an equal and fair distribution of the moneys involved. It gave undue power to certain institutions by reason of these government deposits. Now Senator Underwood did not think it would be wise for this conference to take any further action in the matter, but he thought he could say it was the sentiment of the subcommittee that, in the reallocation of these additional funds there should be an opportunity for other solvent banks of the various nations sitting at this board to have a reasonable amount of the deposits derived from these revenues. So far as he understood it, he thought that that sentiment met with the approval of the representatives of the Chinese government on the subcommittee, and he hoped it met with the entire approval of the Chinese delegation.

"Baron de Cartier Belgian delegate said that before the committee adjourned he wished to express his agreement to the proposal of Senator Underwood. Note:—Dr. Fox closes his discussion with the official statement of Dr. Wellington Koo which appears in Dr. Willoughby's report above.

What I Have Learned About Shipping

BY CAPT. ROBERT DOLLAR

From The Nation's Business Washington D. C.

A SUBSIDY for American ships has been proposed in Washington. The whole country, as well as the shipowners of America, are very deeply interested in the question. Our ships are laid up in large numbers in various harbors, costing money instead of earning money.

I have been operating ships for a good many years and I feel that I ought to know something about the subject. I have always felt that a shipowner who must have "pap" from the government does not deserve to be in the business. We do not need any advantage over the other fellow; we can take care of ourselves. But we do ask for an even break—government interference and foolish laws have so far prevented that.

As I said, I have been in the business a good many years. The difficulty of getting vessels to carry the lumber I was manufacturing in northern California caused me first to take an interest in shipping. Rates were high and bottoms hard to get. So we bought the *Newsboy* of about 300 tons, and she paid for herself in less than a year. We then bought several more vessels. That was in 1893.

It is about twenty years since we sent our first steamer to China. It was the *M. S. Dollar* and the result of that voyage was a loss. This convinced me that if we were to make a success of this trade we would have to have an organization on the ground. So I made a trip and carefully looked over the field and, as a result, opened an office in one small room on the Szechuen Road, Shanghai.

This was certainly starting on a very small scale, but this is my ideal—start on a small scale and work up from a sure foundation. We were forced to move several times to get larger quarters, and we now have our own office building, one of the handsomest in the wonderful city of Shanghai. At present we have eleven offices in the Far East, and each one of them seems to have plenty to do. The same progress has been made in America. Twenty years ago we only had the San Francisco office; now we have five others. Our fleet has grown until it in-

cludes thirteen good cargo steamers and ten sailing vessels.

For all this I have absolutely no reason for self-glorification but have to thank a good Providence that has permitted such success.

The necessity for return cargoes made us open our offices in the Far East. We filled the ships with our lumber on this side, but we had to work it so they made a profit both ways We ran into some queer things in this China trade. When we first began to ship, the Chinese demand was only for the largest timbers. This naturally left a by-product of small boards, but the trade would not buy them. We knew that they took the big timbers and sawed them painfully into boards by hand, yet at first they would not buy the boards ready-made.

Now every successful foreign trader knows that you have to give your customer what he wants, but there is something to be added to that—if you can gradually show your customer the advantages of taking something better, he will agree to the change. That is what we did with our Chinese customers. We shipped a sprinkling of the small boards, and this gradually created a very good market for them.

Our country is coming to a better appreciation of foreign trade, but there is still need for education along this line. This trade is not merely important to residents of seacoast cities and seafaring folks. Indeed, the man whose interest is in ships should be placed last upon the list of those whose interest in foreign trade is vital. I think those interested should be mentioned in this order: first, the farmer; second, the manufacturer; third, the merchant who has branches or representatives in foreign countries; fourth, the banker who finances and furnishes exchange; fifth, the shipowners who furnish bottoms for the carriage of ocean trade.

Ships are the best missionaries of trade. Not finding a cargo ready to unload where she has discharged her freight, the ship looks around to find one. She will even go to the length of buying one if she can find one no other way. Here is the way it works:

We will say that one of our ships can buy hemp in Manila at a certain price. We, at the home office, know the price at which hemp can be sold in the United States. If that which she can buy can be sold at an advantage great enough to give us profit, possibly only enough for reasonable freight rates, it is wise for us to buy it.

We buy the hemp; the ship brings it; we sell it. Thus we get, at least, freight charges for its handling and carriage, and a new trade has been established. See how the vessel has acted as a trade missionary?

You might be surprised to learn that China could sell pig iron to the United States; just the same our ships have built up a nice little trade of this sort. We were stimulated by the fact that the ships lacked cargoes to bring home after they had discharged those which they had carried westward. They are now bringing on each homeward voyage enough to make that voyage profitable. It must be clear that not only our company but the whole commerce of the country benefits.

We sent cargoes to the Philippines some years ago and, in order to make the voyages profitable, brought copra back with us. Before that no trade with the Philippines in copra existed. Now it is a very satisfactory affair, amounting to 20,000 to 30,000 tons a year.

On a trip to Japan I become convinced that there were possibilities of trade between Hakodate, Otaru, and Muroran. We needed return cargoes for our ships Being pleased with the quality of Japanese oak, I bought six oak railroad ties and took them to San Francisco. This was the first oak ever taken from Japan to the United States. We tried those pieces out by making them into furniture which proved to be satisfactory. We then made contracts to deliver large quantities of ties to the Southern Pacific Railroad Company which was about to start extensive building in Mexico. We bought the standing timber, put in men to cut it and had it stacked and ready for the time when other cargoes would be lacking. There were plenty of such occasions. Besides the ties, much of this oak was later made into furniture in this country.

To show the freaks of commerce—that year the steamer *Hazel Dollar* took a cargo of Oregon fir ties from Puget Sound to Tientsin, China. Returning she loaded Japanese oak ties for Mexico!

There are plenty of freaks in foreign trade. I recall that some years ago we were in a port in China where we had been shipping back Chinese raw cotton. It was almost unbelievable. I asked our manager if he had investigated this.

"No, sir," he said, "we are getting the trade both ways, and I think we should keep quiet about it."

But I was a little inquisitive, so I went to the man shipping the Chinese cotton and asked him to explain the matter to me. And this is what he said:

"Here is some American cotton. It has long fibers and is very fine and straight. This over here is Chinese cotton which is very short grained and crinkly. By some hocus-pocus that I cannot explain to you, I ship this Chinese cotton on your ships, and when it gets into the New England factories it is converted into wool to make all-wool clothing."

There are dangers and adventures about this business, too. During the Russo-Japanese War in 1904 we chartered the steamer *M. S. Dollar* to carry a cargo to Vladivostok for the Russian government. Finding the La Perrouse straits blocked with ice, there was nothing left for her to do but try to make it through the Straits of Tsugaru. She lay far enough out so that her smoke could not be seen, and on a very thick, stormy night she put out all her lights and made a run for it.

The two Japanese gunboats guarding each end of the straits had been warned to watch out for her, but, strange as it may seem, she got by them without being seen. The straits are 12 miles long and only 3 miles wide.

The captain had been promised a fat bonus by the Russians if he got through, and he was pacing the deck after he had cleared the straits figuring what he would do with all his money. His castles in the air were interrupted by the beam of a searchlight on the ship, and soon afterwards a cannon boomed a polite invitation for him to stop. The signal was obeyed. Japanese officers and armed marines came on board—they were from a warship which had accidentally discovered the steamer.

The steamer was taken to near Yokohama for the appearance of her officers in prize court. The captain was the only one on board who knew her destination and he refused to tell. Her papers simply showed her destination as Moji. My son, Stanley, had arrived in Yokohama but knew nothing of the capture until an officer placed him under arrest, stating that next day he would be taken before the prize court. When he came before the court the judge said:

"You got a letter at the Kobe postoffice from San Francisco; I want to see it."

The letter was handed over and the judge read it.

"This letter," said the judge laughing, "is from your father and he tells you that this vessel is going to the Orient; the Orient is a very big place. Your father must be a very astute old gentleman. I should like very much to meet him."

Finally the captain made a clean breast of it and was released. Stanley asked the commandant of the Navy Yard if he could take a souvenir off the ship, and the commandant asked what he wanted. My son answered that he would like to have the ship's anchors and chains. The commander protested seriously that he could not allow those to be carried off but was kind enough to let Stanley have a silver sugar bowl which had his mother's name on it.

That ended for the time being our connection with this fine vessel. We had her insured against loss from war risk for $180,000, which the insurance companies paid. The Japanese used the steamer for a troopship during the war, after which she was put up at public auction. I bid her in for $55,000.

Our company ran into the World War soon after it started—before the battle off the Falkland Islands. Some weeks before this engagement the *Robert Dollar* left an Atlantic port with a full cargo of steam coal ostensibly destined for Manila or Batavia. Her charter provided that she should call at Pernambuco for orders. The moment I read the charter I thought there was something wrong, but the steamer was at sea by that time and nothing could be done.

Luckily Captain Morton, her commander, was a staunch Britisher and was also suspicious. Instead of going into Pernambuco he lay off the port. A small boat carrying three Germans came out to the ship. They ordered him to Montevideo, off which the German fleet was lying. Captain Morton flatly refused to obey the alleged orders, whereupon the Germans offered him $5,000 in gold if he would steer the vessel south.

That was a little too much for the captain, and the result was that three badly mussed up Germans went down the ship's side faster than they had come up, and the *Robert Dollar* steamed off for the China Sea. So the German fleet went hungry for that coal and soon after was at the bottom of the sea. This incident was later the subject for a story by Peter B. Kyne in the *Saturday Evening Post*, entitled "Ireland Uber Alles." You might have read it at the time.

There was another war problem later that I had to take hold of and manage myself. In May, 1917, I was in Shanghai. One fine morning received a cable from the British Commodore at Hongkong saying that he had commandeered all our steamers and asking when and where we would deliver them. Our ships were then under the British flag, since the Seamen's Law had made it impossible for me to operate them under American registry. After wiring the Commodore I went aboard the *Bessie Dollar*, which was ready to sail, and went to Hongkong, where I immediately called on the Commodore. He was very nice about it all. In answer to a question he told me that he wanted our vessels to carry coolies from North China to Vancouver for transportation to France.

"Would it be satisfactory," I asked, "to allow me to do the work for you and use the space in the ships not otherwise needed?"

He said such an arrangement would be entirely satisfactory but that I had overlooked the very important matter of compensation. I then dictated a letter to him stating what I had agreed to do and stating that I would leave the compensation entirely to the Admiralty in London. He was a very much surprised man.

"What if they pay you $1 for each ship?" he asked. I replied that this was war time and that I would stand by my offer.

The following day he sent for me. He said that in justice to me he had cabled my entire letter and that he had the reply from London. This reply was entirely satisfactory; in fact the price they set was considerably more than I would have asked! The business, along with the freight that we carried, turned out to be all that we could have expected. No prospect could have been more dismal than the loss of all our ships, with the resultant paralysis of our Far Eastern business.

Such things as this illustrate how a man in our business has to think and work fast at times. He also has to look ahead as well as he can. In November of 1917 I saw "breakers ahead," and I asked the Russian, British and Canadian governments to release the Robert Dollar Company of its obligations in running steamers to Vladivostok with war materials. We had to keep after them and finally got permisssion to discontinue sailings. And it was not a day too soon. The last vessel, the *Bessie Dollar*, just did get out without delay. Steamers arriving after her were diverted to other ports.

All the physical dangers of our trade are not confined to war times. China is unfortunately cursed with bandits, and they do as much harm to commerce as they can. On one of my trips to Ichang on the Yangtse River I found that our office, along with the rest of the town, had been looted and the contents destroyed. The same thing had happened six months before. We replaced everything and were soon doing business at the old stand.

Because of those lawless bands our steamers that run on the river had armor plate to protect the captains and pilots. At Li-fu Chang bandits on shore fired a volley at our steamer, but none of them pierced the armor plate. The boat had some marines on board and with their machine guns they made short work of the bandits. Eleven bodies were seen to float by. This action gave our steamer a clean bill of health at the place and she has not been molested since.

Near here are two statues cut into the solid cliff. They represent an honest man and his wife. From the reception our steamer got there we must assume that even in olden times an honest man and his wife were such a rarity that their memory was perpetuated. It is refreshing to know that centuries ago there was an honest man in this den of bandits.

General Lu Yun-hsiang and the Tuchunate System

BY DON D. PATTERSON

THERE seems to be no shred of a doubt at the moment that, even in the official circles of China, it is the general opinion that the development of the nation toward unification and toward the goal of becoming a world power, as the population, area and rich resources of the nation warrant, is greatly hampered by the existence of the tuchunate system. The presence of a powerful

military governor in each of the eighteen provinces of China has established a series of independent or semi-independent states held together by mutual agreement of the various provincial heads, and giving allegiance to the Peking government, when such allegiance seemed practical. The weakened and corrupt condition of the Peking government has some times made it necessary for the military governors to rightly stand out again its machinations and intrigues, and such a condition has further complicated the existing political situation.

Recognizing the tuchunate as one of the obstacles to the reunification of China and to the actual democratization of China, the question has arisen as to the process to be taken for the abolition of the system. The position of military governor is not infrequently a most profitable one, the power of many of these officials is virtually that of feudal baron.

While the system of military governors has for sometime elicited the condemnation of both the Chinese themselves and the foreign observers, little progress has been made toward its elimination. Attempts have been made to turn over to the people a certain amount of authority but these made have been feeble, and the advocates in high position have not had sufficient courage in their convictions to carry out plans of their own initiation. The first practical step toward the abolition of the tuchunate was taken by General Lu Yun-hsiang of Chekiang province who, approximately two years ago, announced that as soon as the time was ripe and opportune he would of his own free will relinquish his post and turn over the rule of one of the richest state of China to its inhabitants. More than this he called upon the other military governors of the country to follow his example.

General Lu's announcement aroused a cynical disbelief in the possibility of his carrying out his professed plan, but subsequent events have proven the single mindedness and sincerity of this outstanding figure among the military officials of China. Following this announcement General Lu asked the provincial assembly of Chekiang to prepare and put into effect a provincial constitution, the first one of its kind in China, which would provide a basis for the reorganization of the state governmental system along truly representative lines. This was done, and although the constitution did not meet with the entire approval of the chief executive of the province, it was put into effect as a beginning, or a first step toward the goal sought.

The next step toward the realization of this plan for the abolition of the tuchunate has come within the past month. Feeling that the political situation had come to where he could resign for the best interests not only of his province but also of the nation of China as a whole, General Lu voluntarily and without qualification, resigned his post as military governor and announced his intention of retiring to civil life. His people, however, including the provincial assembly, did not feel that they could afford to lose his direction and the wisdom of his experience at this time and upon his resignation asked him to accept a position as director of rehabilitation until such time as matters could be arranged for the institution of representative government. To this General Lu consented, but only for a period of six months, and the provincial assembly and the people of Chekiang province are now at work redrafting the provincial constitution and making the primary plans to be put into effect at the end of the six month period.

General Lu, in this time of political reform stands alone in the nation as the only military official who has voluntarily given up his post for patriotic reasons and for what he believes to be the best interests of China. He is the only director of rehabilitation in the nation.

The farsightedness of General Lu has brought him many admirers and his aloofness from the political turmoil has greatly strengthened a belief in his wisdom. He is intensely interested in reunification and is working actively toward that end.

"There are two main obstacles in the path of the reunification of China," General Lu said in a recent interview. "One is the subordination of the interests of the people and the nation to those of the selfish interests of intriguing political factions. Not being a member of any party or clique, I am powerless to help to remedy this defect. The second obstacle is that of the existence of the tuchunate, and being a military governor myself, I am able to show my belief and sincerity by resigning, as I have done. Recent events have culminated in what would seemto be the most favorable condition since the disruption of the Republic for the reunification of China and having the best interests of my nation at heart, I do not wish in any way to be one of the causes of blocking such a move but I rather want to do all within my power to assist it."

Continuing General Lu advocated the curtailment of all military expenses and said that it was in this regard that the provincial constitution, as now in effect in Chekiang, was lacking. This defect, he asserted, was being remedied in the redrafting of the document, in which he was assisting, and when the redrafted form was promulgated and adopted there would be limitations placed on military expenditures.

Realizing that the tuchunate system can best be abolished through the reorganization of the provincial armies, General Lu has expressed a desire to have a national Chinese army formed with stated garrisons in each province of only a certain number, of troops the allotmentb eing made equally without political preference or favor. He also advocates establishment of reserve officers training schools in order that men may be taken from civil life in times of emergency to provide for an effective army. His entire plan follows closely the systems that have come into favor and effect in Western nations since the European war.

The question of how to care for disbanded soldiers is also occupying the mind of this soldier-statesman and he is taking into consideration the psychological aspect of this, situation-the unrest that permeates the soldier group when they are suddenly thrust back in civil life. It is General Lu's idea to provide congenial employment for the soldiers in reclamation work, in the building of roads, and in mining and in such other occupations as are open. He believes that land grants in the uninhabited sections of Mongolia and Manchuria will be one of the best possible means of permitting the soldiers to pass back into civil life with the lowest possible minimum of pain to themselves and to the country and with the added possibility of financial independence. He is now making plans for the disbandment of his own troopsand will be prepared at the end of the six month period, in which he serves as director of rehabilitation, to comfortably situate in civil life.

The initiative for the disbandment of the army, he believes, must come from Peking and must by necessity be nation wide, since provinces that would make the move individually might be open to invasion and aggression from less patriotic and more selfish

sections, where the armies might be increased rather than limited. He has expressed his willingness to cooperate, and in this he is voicing the opinion of his people apparently, in any move for the establishment of a standing national army and the doing away with the present provincial organizations.

General Lu has demonstrated the use to which soldiers can be put in the construction of public highways, first by the Woosung to Shanghai road, which has been in excellent service for more than three years, and by the provincial road developments in and about the city of Hangchow.

General Lu is looking to the Peking government for reunification plans and has as one of his reasons for the redrafting of the provincial constitution the desire not in any way to interfere with the rights to be granted to the provinces by the reestablishment of the national constitution. He desires to have Chekiang upon a purely legal basis of representative government as an intregal and undivorceable portion of the Republic of China.

The career of General Lu has been one of more than ordinary interest and the accomplishments that may be credited to him are many. Having as the seat of his government the city of historic interest and national fame for beauty of Hangchow, he has provided for modern streets and for civic improvements that makes it one of the cleanest and most attractive cities in all of China, or even in the Far East. The visitor to the city is struck by the lack of poverty, the absence of the almost inevitable beggar, the scarcity of police officers and soldiers, and by the orderly, contented and prosperous appearance of the people. Chekiang province, of course, is one of the most prosperous of the states of China but the rule of General Lu has heightened and increased this condition. His has been a rule of uninterrupted peace and Chekiang has not been the scene of mutinies, bickerings or uprisings as have been many of the other provinces of China.

The general was born at Tsiyanghsien, Shantung, and received his military education at the Shanhaikwan Academy, graduating there in 1887. Working his way up from the rank of a non-commissioned officer in 1911 General Lu was appointed a brigade commander with the rank of major general and was given the 5th Mixed Brigade. In 1911 he fought with the Imperial troops in Shansi. With the establishment of the Republic, he was made commander of the 20th Division by President Yuan Shih-kai, and in 1914 transferred to the command of the 10th Division. During this period he received several decorations from the government for his work. In 1915 he was appointed defense commander of Shanghai and his work here won him unqualified praise, this going to such an extent that even after his appointment in August 1919 to the military governorship of Chekiang province to succeed the late General Yang Shou-teh, his retention was asked.

Since 1919 General Lu has become justly known as an independent thinker and as a man of purpose and resolve. He has been criticized for his actions and pronouncements many times but subsequent events have proven his policies to be well grounded as in the present instance of the relinquishment of the tuchunate of Chekiang. His life has been one of simplicity and wisdom, and his surroundings and his actions bear this out. His geniality and lack of ostentation have brought him close to the people of his province and have given him their whole hearted support. Everywhere the people of Chekiang speak with admiration and respect of the work of General Lu.

Having taken the first action, without prompting, toward the abolition of the tuchunate, the career of General Lu will be interesting to follow in the next few formative years in China. He is apparently just on the threshold of a career that should bring him into even greater prominence in the affairs of the nations.

The China Trade Act of 1922

The following is the final draft of the China Trade Act and when ratified by the Senate and signed by President Harding will constitute the law under which China Trade Act Corporations may be formed. This draft has just been received by the American Chamber of Commerce from Hon. L. C. Dyer, of the House of Representatives, who has had charge of the measure in the House. Regulations putting the Act into force are being drafted by the Department of Commerce and doubtless will be published immediately after the measure has received President Harding's signature.

CHINA TRADE ACT, 1922

Definitions.

"Sec 2. When used in this act, unless the context otherwise indicates—

"(a) The term 'person' includes individual, partnership, corporation, and association;

"(b) The term 'China' means, (1) China including Manchuria, Thibet, Mongolia, and any territory leased by China to any foreign government. (2) the Crown Colony of Hongkong, and (3) the Province of Macao;

"(c) The terms 'China trade act corporation' and 'corporation' mean a corporation chartered under the provisions of this act;

"(d) The term 'Federal district court' means any Federal district court, the United States Court for China, and the Supreme Court of the District of Columbia;

"(e) The term 'Secretary' means the Secretary of Commerce; and

"(f) The term 'registrar' means the China trade act registrar appointed under section 3.

Registrar.

"Sec. 3. The Secretary is authorized to designate as China trade act registrar an officer of the Department of Commerce. The official station of the registrar shall be in China at a place to be designated by the Secretary. All functions vested in the registrar by this act shall be administered by him under the supervision of the Secretary; except that upon appeal to the Secretary, in such manner as he shall by regulation prescribe, any action of the registrar may be affirmed, modified, or set aside by the Secretary as he deems advisable.

Articles of incorporation.

"Sec. 4. (a) Five or more individuals (hereinafter in this act referred to as incorporators'), a majority of whom are citizens of the United States, may, as hereinafter in this act provided, form a District of Columbia corporation for the purpose of engaging in business within China.

"(b) The incorporators may adopt articles of incorporation which shall be filed with the Secretary at his office in the District of Columbia and may thereupon make application to the Secretary for a certificate of incorporation in such manner and form as shall be by regulation prescribed. The articles of incorporation shall state—

"(1) The name of the proposed China trade act corporation, which shall end with the legend, 'Federal Inc. U. S. A.,' and which shall not, in the opinion of the Secretary, be likely in any manner to mislead the public;

"(2) The location of its principal office, which shall be in the District of Columbia;

"(3) The particular business in which the corporation is to engage;

"(4) The amount of the authorized capital stock, the designation of each class of stock, the terms upon which it is to be issued, and the number and par value of the shares of each class of stock;

"(5) The duration of the corporation, which may be for a period of not more than 25 years, but which may upon application of the corporation and payment of the incorpora-

tion fee, be successively extended by the Secretary for like periods;

"(6) The names and addresses of individuals, a majority of whom are citizens of the United States and at least one of whom is a resident of the District of Columbia, to be designated by the incorporators, who shall serve as temporary directors; and

"(7) The fact that an amount equal to 25 percent of the amount of the authorized capital stock has been in good faith subscribed and paid in cash, or, in accordance with the provisions of section 8, in real or personal property which has been placed in the custody of the directors.

"(c) A China trade act corporation shall not engage in the business of discounting bills, notes, or other evidences of debt, of receiving deposits, of buying and selling bills of exchange, or of issuing bills, notes, or other evidences of debt, for circulation as money; nor engage in any other form of banking business; nor engage in any form of insurance business.

Certificate of Incorporation.

"Sec. 5. The Secretary shall, upon the filing of such application, issue a certificate of incorporation certifying that the provisions of this act have been complied with and declaring that the incorporators are a body corporate, if (a) an incorporation fee of $100 has been paid him, (b) he finds that the articles of incorporation and statements therein conform to the requirements of, and that the incorporation is authorized by, this act, and (c) he finds that such corporation will aid in developing markets in China for goods produced in the United States. A copy of the articles of incorporation shall be made a part of the certificate of incorporation and printed in full thereon. Any failure, previous to the issuance of the certificate of incorporation, by the incorporators or in respect to the application for the certificate of incorporation, to conform to any requirement of law which is a condition precedent to such issuance, may not subsequent thereto be held to invalidate the certificate of incorporation or alter the legal status of any act of a China trade act corporation, except in proceedings instituted by the registrar for the revocation of the certificate of incorporation.

General Powers.

"Sec. 6. In addition to the powers granted elsewhere in this act, a China trade act corporation—

"(a) Shall have the right of succession during the existence of the corporation;

"(b) May have a corporate seal and alter it at pleasure;

"(c) May sue and be sued;

"(d) Shall have the right to transact the business authorized by its articles of incorporation and such further business as is properly connected therewith or necessary and incidental thereto;

"(e) May make contracts and incur liabilities;

"(f) May acquire and hold real or personal property, necessary to effect the purpose for which it is formed, and dispose of such property when no longer needed for such purposes;

"(g) May borrow money and issue its notes, coupon or registered bonds, or other evidences of debt, and secure their payment by a mortgage of its property; and

"(h) May establish such branch offices at such places in China as it deems advisable.

Shares of Stock.

"Sec. 7. Each share of the original or any subsequent issue of stock of a China trade act corporation shall be issued at par value only, and shall be paid for in cash or in accordance with the provisions of section 8, in real or personal property which has been placed in the custody of the directors. No such share shall be issued until the amount of the par value thereof has been paid the corporation; and when issued each share shall be held to be full paid and nonassessable; except that if any share is, in violation of this section, issued without the amount of the par value thereof having been paid to the corporation the holder of such share shall be liable in suits by creditors for the difference between the amount paid for such share and the par value thereof.

"Sec. 8. No share of stock of a China trade act, corporation shall, for the purposes of section 7 or of paragraph (7) of subdivision (b) of section 4, be held paid in real or personal property unless (1) a certificate describing the property and stating the value at which it is to be received has been filed by the corporation with the Secretary or the registrar in such manner as shall be by regulation prescribed, and a fee to be fixed by the Secretary or the registrar, respectively, to cover the cost of any necessary investigation has been paid, and (2) the Secretary or the registrar, as the case may be, finds and has certified to the corporation that such value is not more than the fair market value of the property.

By-laws.

"Sec. 9. The by-laws may provide—

"(a) The time, place, manner of calling, giving notices and conduct of, and determination of a quorum for, the meetings, annual or special, as the stockholders or directors;

"(b) The number, qualifications, and manner of choosing and fixing the tenure of office and compensation of all directors: but the number of such directors shall be not less than three, and a majority of the directors and a majority of the officers holding the office of president, treasurer, or secretary, or a corresponding office, shall be citizens of the United States resident in China; and

"(c) The manner of calling for and collecting payments upon shares of stock, the penalties and forfeitures for nonpayment, the preparation of certificates of the shares, the manner of recording their sale or transfer, and the manner of their representation at stockholders' meetings.

Stockholders' Meetings.

"Sec. 10. (a) Within six months after the issuance of the certificate of incorporation of a China trade act corporation there shall be held a stockholders' meeting either at the principal office or a branch office of the corporation. Such meeting shall be called by a majority of the directors named in the articles of incorporation, and each stockholder shall be given at least 90 days' notice of the meeting either in person or by mail. The holders of two-thirds of the voting shares shall constitute a quorum at such meeting authorized to transact business. At this meeting or an adjourned meeting thereof a code of by-laws for the corporation shall be adopted by a majority of the voting shares represented at the meeting.

"(b) The following questions shall be determined only by the stockholders of a stockholders' meeting:

"(1) Adoption of the by-laws;

"(2) Amendments to the articles of incorporation or by-laws;

"(3) Authorization of the sale of the entire business of the corporation or of an independent branch of such business;

"(4) Authorization of the voluntary dissolution of the corporation; and

"(5) Authorization of application for the extension of the period of duration of the corporation.

"(c) The adoption of any such amendment or authorization shall require the approval of at least two-thirds of the voting shares. No amendment to the articles of incorporation or authorization for dissolution or extension shall take effect until (1) the corporation files a certificate with the Secretary stating the action taken, in such manner and form as shall be by regulation prescribed, and (2) such amendment or authorization is found and certified by the secretary to conform to the requirements of this act.

(d) A certified copy of the by-laws and amendments thereof and of the minutes of all stockholders' meetings of the corporation shall be filed with the registrar.

Directors.

"Sec. 11. The directors designated in the articles of incorporation, shall, until their successors take office, direct the exercise of all powers of a China trade act corporation except such as are conferred upon the stockholders by law or by the articles of incorporation or by-laws of the corporation. Thereafter the directors elected in accordance with the by-laws of the corporation shall direct the exercise of all powers of the corporation except such as are so conferred upon the stockholders. In the exercise of such powers the directors may appoint and remove and fix the compensation of such officers and employees of the corporation as they deem advisable.

Reports and Inspection of Records.

"Sec. 12 (a) For the purposes of this act the fiscal year of a China trade act corporation shall correspond to the calendar year. The corporation shall make and file with the registrar, in such manner and form and at such time as shall be by regulation prescribed, a report of its business for each such fiscal year and of its financial condition at the close of the year. The corporation shall furnish a true copy of the report to each of its stockholders.

"(b) The registrar shall file with the Secretary copies of all reports, certificates, and certified copies received or issued by the registrar under the provisions of this act. The Secretary shall file with the registrar copies of all applications for a certificate of incorporation, and certificates received or issued by the Secretary under the provisions of this act. All such papers shall be kept on record in the offices of the registrar and the Secretary, and shall be available for public inspection under such regulations as may be prescribed.

Dividends

"Sec. 13. Dividends declared by a China trade act corporation shall be derived wholly from the surplus profits of its business.

Revocation of Certificate of Incorporation

"Sec. 14. The registrar may, in order to ascertain if the affairs of a China trade act corporation are conducted contrary to any provision of this act, or any other law, or any treaty of the United States, or the articles of incorporation or by-laws of the corporation, investigate the affairs of the corporation. The registrar, whenever he is satisfied that the affairs of any China trade act corporation are or have been so conducted, may institute in the United States Court for China proceedings for the revocation of the certificate of incorporation of the corporation. The court may revoke such certificate if it finds the affairs of such corporation have been so conducted. Pending final decision in the revocation proceedings the court may, at any time, upon application of the registrar or upon its own motion, make such orders in respect to the conduct of the affairs of the corporation as it deems advisable.

"Sec. 15. (a) For the efficient administration of the functions vested in the registrar by this act, he may require, by subpœna issued by him or under his direction, (1) the attendance of any witness and the production of any book, paper, document, or other evidence from any place in China at any designated place of hearing in China, or, if the witness is actually resident or temporarily sojourning outside of China, at any designated place of hearing within 50 miles of the actual residence or place of sojourn of such witness, and (2) the taking of a deposition before any designated person having power to administer oaths. In the case of a deposition the testimony shall be reduced to writing by the person taking the deposition or under his direction, and shall then be subscribed by the deponent. The registrar, or any officer, employee, or agent of the United States authorized in writing by him, may administer oaths and examine any witness. Any witness summoned or whose deposition is taken, under this section, shall be paid the same fees and mileage as are paid witnesses in the courts of the United States.

"(b) In the case of failure to comply with any subpœna or in the case of the contumacy of any witness before the registrar, or any individual so authorized by him, the registrar or such individual may invoke the aid of any Federal district court. Such court may thereupon order the witness to comply with the requirements of such subpœna and to give evidence touching the matter in question. Any failure to obey such order may be punished by such court as a contempt thereof.

"(c) No person shall be excused from so attending and testifying or deposing, nor from so producing any book, paper, document, or other evidence on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing as to which, in obedience to a subpœna and under oath, he may so testify, except that no person shall be exempt from prosecution and punishment for perjury committed in so testifying.

"(d) For the efficient administration of the functions vested in the registrar by this act he, or any officer, employee, or agent of the United States authorized in writing by him, shall at all reasonable times for the purpose of examination have access to and the right to copy any book, account, record, paper, or correspondence relating to the business or affairs of a China trade act corporation. Any person who upon demand refuses the registrar or any duly authorized officer, employee, or agent such access or opportunity to copy, or hinders, obstructs, or resists him in the exercise of such right, shall be liable to a penalty of not more than $5,000 for each such offense. Such penalty shall be recoverable in a civil suit brought in the name of the United States.

"Sec. 16. In case of the voluntary dissolution of a China trade act corporation or revocation of its certificate of incorporation, the directors of the corporation shall be trustees for the creditors and stockholders of the corporation; except that upon application to the United States Court for China by any interested party, or upon the motion of any court of competent jurisdiction in any proceeding pending before it the court may, in its discretion, appoint as the trustees such persons, other than the directors, as it may determine. The trustees are invested with the powers, and shall do all acts, necessary to wind up the affairs of the corporation and divide among the stockholders according to their respective interests the property of the corporation remaining after all obligations against it have been settled. For the purposes of this section the trustees may sue and be sued in the name of the corporation and shall be jointly and severally liable to the stockholders and creditors of the corporation to the extent of the property coming into their hands as trustees.

Regulations.

"Sec. 17. (a) The Secretary is authorized to make such regulations as may be necessary to carry into effect the functions vested in him or in the registrar by this act.

"(b) That the Secretary is authorized to prescribe and fix the amount of such fees (other than the incorporation fee) to be paid him or the registrar for services rendered by the Secretary or the registrar to any person in the administration of the provisions of this act. All fees and penalties paid under this act shall be covered into the Treasury of the United States as miscellaneous receipts.

Penalties

"Sec. 18. No stockholder, director, officer, employee, or agent of a China trade act corporation shall make, issue or publish any statement, written or oral, or advertisement in any form, as to the value or as to the facts affecting the value of stocks, bonds, or other evidences of debt, or as to the financial condition or transactions, or facts affecting such condition or transactions, of such corporation if it has issued or is to issue stocks, bonds, or other evidences of debt, whenever he knows or has reason to believe that any material representation in such statement or advertisement is false. No stockholder, director, officer, employee, or agent of a China trade act corporation shall, if all the authorized capital stock thereof has not been paid in, make, issue, or publish any written statement or advertisement, in any form, stating the amount of the authorized capital stock without also stating as the amount actually paid in, a sum not greater than the amount paid in. Any person violating any provisions of this section shall, upon conviction thereof, be fined not more than $5,000 or imprisoned not more than 10 years, or both.

"Sec. 19. No individual, partnership, or association, or corporation not incorporated under this act or under a law of the United States, shall engage in business within China under a name in connection with which the legend 'Federal Inc. U. S. A.' is used. Any person violating this section shall upon conviction thereof be fined not more than $1,000 for each violation.

Jurisdiction of Suits Against Corporation.

"Sec. 20. That the Federal district courts shall have exclusive original jurisdiction of all suits (except as provided by the act entitled 'An act creating a United States Court for China and prescribing the jurisdiction thereof,' approved June 30, 1906, as amended) to which a China trade act corporation, or a stockholder, or officer thereof in his capacity as such, is a party. Suit against the corporation may be brought in the United States Court for China, or in the Supreme Court of the District of Columbia, or in the Federal district court for any district in which the corporation has an agent and is engaged in doing business.

Federal Taxation.

"Sec. 21. Title II of the revenue act of 1921 is amended by adding at the end thereof new section to read as follows:

China Trade Act Corporations.

"Sec. 264. (a) That for the purpose only of the tax imposed by section 230 there shall be allowed in the case of a corporation organized under the China trade act, 1922, a credit of an amount equal to the proportion of the net income derived from sources within China (determined in a similar manner to that provided in section 217) which the par value, of the shares of stock of the corporation owned on the last day of the taxable year by individual citizens of the United States or China, resident in China, bears to the par value of the whole number of shares of stock of the corporation outstanding on such date: *Provided*, That in no case shall the amount by which the tax imposed by section 230 is diminished by reason of such credit exceed the amount of the special dividend certified under subdivision (b) of this section.

"(b) Such credit shall not be allowed unless the Secretary of Commerce has certified to the Commissioner (1) the amount which, during the year ending on the date of filing the return, the corporation has distributed as a special dividend to or for the benefit of such individuals as on the last day of the taxable year were citizens of the United States or China, resident in China, and owned shares of stock of the corporation, (2) that such special dividend was in addition to all other amounts payable or to be payable to such individuals or for their benefit by reason of their interest in the corporation, and (3) that such distribution has been made to or for the benefit of such individuals in proportion to the par value of the shares of stock of the corporation owned by each; except that if the corporation has more than one class of stock the certificate shall contain a statement that the articles of incorporation provide a method for the apportionment of such special dividend among such individuals and that the amount certified has been distributed in accordance with the method so provided.

"'(c) For the purposes of this section shares of stock of a corporation shall be considered to be owned by the person in whom the equitable right to the income from such shares is in good faith vested.

"'(d) As used in this section the term "China" shall have the same meaning as when used in the China trade act, 1922.'

"Sec. 22. Subdivision (b) of section 230 of the revenue act of 1921 is amended to read as follows:

"'(b) For each calendar year thereafter, 12½ percent of the amount of the net income in excess of the credits provided in sections 236 and 264.'

"Sec. 23. Subdivision (f) of section 238 of the revenue act of 1921 is amended by adding after the figures '262' the word and figures 'or 264.'

"Sec. 24. Subdivision (c) of section 240 of the revenue act of 1921 is amended by adding at the end thereof a new sentence to read as follows: 'A corporation organized under the China trade act, 1922, shall not be deemed to be affiliated with any other corporation within the meaning of this section.'

"Sec. 25. That section 2 of the revenue act of 1921 is amended by adding at the end thereof a new paragraph to read as follows:

"'(12) A corporation organized under the China trade act, 1922, shall, for the purpose of this act, be considered a domestic corporation.'

"Sec. 26. Subdivision (b) of section 213 of the revenue act of 1921 is amended by striking out the period at the end of paragraph (12) thereof and inserting in lieu thereof a semicolon, and by adding after paragraph (12) a new paragraph to read as follows:

"'(13) In the case of an individual, amounts distributed as dividends to or for his benefit by a corporation organized under the China trade act, 1922, if, at the time of such distribution, he is a citizen of China, resident therein, and the equitable right to the income of the shares of stock of the corporation is in good faith vested in him.'

"Sec. 27. Subdivision (a) of section 216, paragraph (6) of subdivision (a) of section 234, and paragraph (3) of subdivision (a) of section 245, of the revenue act of 1921, are amended by inserting in each after the word and figures 'section 262' a comma and the words 'and other than a corporation organized under the China trade act, 1922.'

Reservation of Right to Amend.

"Sec. 28. The Congress of the United States reserves the right to alter, amend, or repeal any provision of the act.'

The Week in the Far East

(Covering the period from Thursday, June 29, to Wednesday, July 5.)

Evidences of dissension and disagreement are cropping out in the political situation in Peking, if news reports can be taken to be an accurate barometer of existing conditions. Foremost among the reports is one to the effect that there is the possibility of an immediate break between Wu Pei-fu and Tsao Kun, the two heads of the Chihli party, as a result of differences of political opinion and action. In the South it would seem that Sun Yat-sen has definitely decided to relinquish his attempt to return to power and one of the late dispatches is to the effect that he had applied to the Consular Body at Canton for a guarantee of safe passage to Shanghai. An impending Cabinet dissolution in Peking adds to the present confusion.

Wu's differences with Tsao Kun are those of political appointments and the question of the present Cabinet. According to the reports, General Wu desires the present Cabinet to remain in power, while General Tsao is desirous of putting in ministers who are more favorable to his own plans and policies. A summary of the situation on June 29 reported that Kao En-hung, Minister of Communications, and Tung Kung, Minister of Finance, were virtually dictating the policies of the Cabinet and since these two men were the appointees of Wu, they were not pleasing to Tsao Kun. These differences, however, seem to extend on down from the Cabinet appointments to such questions as the abolition of the Shanghai defense commissioner's yamen. General Wu Pei-fu has announced that he intends to return to his former headquarters at Loyang and would have nothing further to do with politics.

Acting President Li Yuan-hung has requested General Tsao Kun to settle the Cabinet crisis, but the latter has declined. At the same time the acting executive urged Wu Pei-fu to remain in his present station and not to remove to Loyang. The undertone of all dispatches indicates the presence of a nervous uncertainty on the part of many of the officials now in power and a growing discontent on the part of several of the tuchuns and others who are considered as heavy factors.

The Cabinet crisis has been hastened by the resignation of Minister of Finance Tung Kung who, according to a *China Press* dispatch of June 30, has resigned his position as a result of a demand from General Tsao Kun for $500,000 for military expenses. Kao En-hung Minister of Communications resigned his post on June 30 also, and an *Eastern* News Agency dispatch forecasts, there is a possibility that Dr. C. T. Wang may be appointed to succeed him. In the event of such a move, the item continues, Dr. Wellington Koo is expected to be made director of rehabilitation of Shantung affairs. Tsao Kun is attacking the Ministry of Education for a failure to take care of the present school emergency. All of the moves and counter moves are extremely involved and each new report gives an additional development.

In the meantime reunification plans are proceeding. According to the *Chung Mei* Service, President Li has wired Sun Yat-sen asking him to come to Peking to aid in bringing the country together. Dr. C. C. Wu, son of Wu Ting-fang is also said to have been asked to come to the capital. Ninety Senators and 340 Representatives of the old Parliament have arrived in Peking, *Reuter's Pacific* Service reports, and a member has been selected to convey to Canton the necessary funds for their traveling expenses. The representative will also attempt to obtain the consent of the Shanghai members to attend.

A humorous bit of news from the North is given by the *Chung Mei* Service, reading:

General Chang Tso-lin, nothing daunted by his defeat, has asked the Central government for funds with which to pay a part of his troops. His argument is that the disbanded Fengtien soldiers came and asked to be enlisted again. Merely out of pity he took them on. To pay them, he borrowed money from private sources and now he wants Peking to settle up for him. In fact, he specifies that General Wang bring these funds back with him. Of course, he adds that as soon as the general troop disbandment scheme is set in operation, he will release these new men taken into the army.

The Kiangsi mutiny situation has quieted down although up-river items indicate that the residents of the districts affected are still afraid that further troubles may develop.

The first official communique of the Shantung commission was held in Peking on June 30, and the following decisions were reached, according to the *Reuter Pacific* service:

The official communique of the first meeting of the Second Section (Railway Commission) of the Sino-Japanese Joint Commission today states that the following decisions were reached.

(1). The procedure for discussion of the railway question was decided upon:

(2). An inventory of the railway properties will be given out to serve as the basis of discussion in the commission:

(3). The Japanese Delegation will furnish a list of the names and a record of the present employees for reference:

(4). The present Japanese railway administration undertake, between the time of ratification of the Shantung Treaty and that of transfer to China of the railway properties, not to purchase any more materials or to increase in any sense the present stock of railway properties aside from

such as are absolutely required for the maintenance of the railway.

(5) The following subcommittees will be organized:
(a) on valuation of the railway properties.
(b) on financial details relative to the treaty.
(c) on transfer of the railway properties.

Sun Yat-sen seems to have become reconciled to his overthrow in Canton, if a dispatch of the *Reuter Pacific* Service, dated June 30, may be taken as a barometer of this situation. Dr. Sun, it is reported, has agreed to give up his post if the people so desire but has said that his followers would resent such a move. Brushes between the pro-Sun troops and those of Chen Chiung-ming are still being mentioned from various sections of Kwantung and Kwangsi provinces and indications are that the situation continues in an unsettled condition.

An international complication has arisen between China and Japan during the week caused by an attack by brigands upon the Japanese Consulate at Chientao, resulting in its destruction by fire. An *Eastern* News Agency dispatch of July 1 asserts that the Japanese Cabinet has decided as a result to send forces for the protection of their citizens against the mountain bandits into the cities of Chotzechiai, Hungchun, Paitsaokow, Taodaokow and Lungchingtsun. The order for the action has been given to the Governor-general of Korea and Minister Obata has been asked to notify Minister of Foreign Affairs Yen of the action and the cause of its being taken.

The Privy Council passed the Nine Power Agreement on July 1, a *Reuter Pacific* dispatch announces, thus concluding the Japanese ratification of all of the pacts of the Washington Conference. The imperial ratification on all the agreements was expected before July 6.

Cuts are being proposed for both the Japanese army and navy. The tentative program, as outlined by the *Reuter Pacific* Service, proposes a building program, to be completed in 1928, for the navy of four 10,000 ton and four 7,100 ton cruisers, twenty-four destroyers, and twenty-two submarines This is a reduction on the previous program of thirteen destroyers, one cruiser, and twenty-four submarines. The announcement of this reduction was accompanied by a statement from the Minister of the Navy that Japan had every intention of living up to her pledges made at Washington. Japanese newspapers are foreshadowing a cut in the army, according to the same service, which will eliminate a total of 56,000 men, the majority in either the infantry or field artillery branches. The move will reduce military expenditure by 20,200,000 yen, to which may be added a saving through administrative reforms of 2,8000,00 yen.

Edwin Denby, Secretary of the Navy of the United States, has arrived in Japan together with the naval party for the planned class reunion celebration. He is being widely entertained by officials and organizations. It is expected that he will visit China about the fifteenth of the month.

The Federation of Chamber of Commerce of Japan, who are meeting Tokyo, have adopted a resolution calling upon the leading chambers of commerce of the United States to prevent the passage of the Fordney Tariff Bill on account of the fact that it will ruin the Japanese-American trade. the *Japan Advertise* advises. This tariff, by way of explanation, contains a large increase silk piece on goods and other Japanese products.

Manila has had a seamen's strike during the week under review in the inter-island shipping circles. The officers and men of these vessels refused to accept a wage cut of 20 percent and went out on July 1. A later *Reuter Pacific* report, is to the effect that the strike has been finally settled with the ship owners making individual contracts with their employes with regard to wages. Following this movement, 300 stevedores walked out on July 3 protesting against a wage reduction of thirty centavos a day. *Reuter's Pacific* quotes the companies as announcing that substitutes will be employed rather than the strikers being taken back. Ocean freights are apparently unaffected.

Who's Who in China

Hsu Tung-fan
(徐東藩)

Hsu Tung-fan, representative of the Shantung People at Washington during the Disarmament Conference, has just been appointed chief associate to Dr. C. T. Wang Director-General for the Rehabilitation of Shantung Rights.

After graduating from the Peking Government University, Mr. Hsu went to England and studied at the University of Birmingham, from which institution he took the degree of Bachelor of Arts in Political Science and Economics. While in London, he did some research work in international law, constitutional law and economics, at the same time gaining some practical experience in banking at the famous English house of Lloyds' and in the Belgian Bank. Proceeding to the Continent, he took special courses in the Universities of Zurich and Loussaine and during the Versailles Conference, he did much for the Chinese cause in the way of spreading propaganda by speeches and writing for the newspapers.

Upon his return to China, he was appointed secretary to Chu Ying-kuang, Civil Governor of Shan ung and after Chu retired, General Tien Chung-yu, the new Military and Civil Governor made Hsu his chief foreign secretary, which position he still holds.

Mr. Hsu was attached to the Chinese delegation at Washington as councillor, at the same time representing the people of Shantung. He delivered

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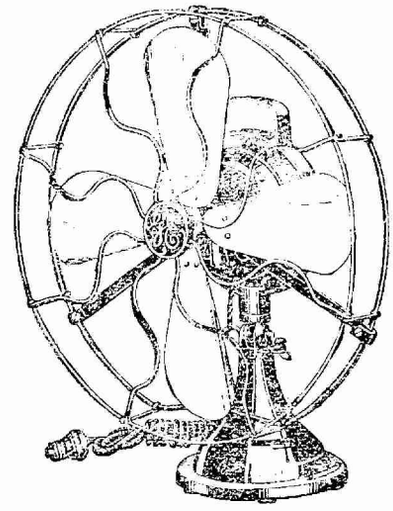

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numerous addresses during his stay in the United States and made many American friends.

His new appointment as associate to Dr. Wang is well-deserved and there is no doubt but that he will carry out his new duties with much credit.

Dollar Again Heads American Chamber

The following were elected directors of the American Chamber of Commerce of China for the coming year at the annual meeting held at the American Club in Shanghai on Thursday evening, June 29: W. A. Burns, American Trading Company; J. S. Dolan, China and Java Export Company; J. Harold Dollar, the Robert Dollar Company; Capt. W. I. Eisler, of Eisler, Reeves and Murphy, marine engineers and surveyors; B. C. Haile, Pacific Mail Steamship Company; George A. Heyburn, the Admiral Line; V. G. Lyman, Standard Oil Company; J. J. Rogers, Equitable Eastern Banking Corporation; Paul Page Whitham, Asia Development Corporation.

J. Harold Dollar

At a meeting of the Executive Committee held on Monday afternoon, July 3, the following officers were elected for the coming year: J. Harold Dollar, president; W. A. Burns, vice-president; J. S. Dolan, treasurer, and J. B. Powell, editor of the *Weekly Review*, honorary secretary.

V. G. Lyman, retiring president, in his annual address recounted the activities of the Chamber during the past year and referred especially to the disturbed political conditions in China which have handicapped trade. The most important event in the year, according to Mr. Lyman, was an international convention of engineering experts in Shanghai who met here to consider plans for improving the port of Shanghai to the end that the city might adapt itself to the rapidly increasing commerce of the Pacific. In referring to the Washington Conference on Limitation of Armament he said:

"The progress of the Washington Conference was watched with the deepest interest by all our citizens. Actual and beneficial results have followed as a consequence thereof, and it is felt that as time passes, the work done and results obtained will more and more be appreciated by and helpful to all dwellers in the Far East."

Among the projects which the Chamber supported during the year, according to the retiring president,

"Don't wait until it's too late"

"WHEN I was your age, Tom, I was just where you are today. I had what was then considered a good job in Black & Turner's Accounting Department. My friends predicted great things for me.

"Then your mother and I were married and pretty soon we began to need more money. But when I discussed the salary question with the head of the department he told me frankly that the firm was paying me all my work was worth.

"I tell you, son, it was a bad night when I brought that news home to your mother.

"It has been the same way ever since. Man after man has been advanced over my head while I have just plodded along.

"Many of our old friends have grown away from us because we could not keep pace with them. I haven't been able to send you to college . . . And through it all your mother has been patient and uncomplaining.

"The pity of it is that a single word would have changed my whole life!

"Training! That was all I needed.

"I had as much energy and ambition and as good a brain as any of the men who went ahead of me, but when the bigger jobs opened up I wasn't equipped to step into them.

"Don't wait until it's too late, Tom. My own life would be a different story if some one had only talked to me when I was young as I am talking to you today."

Ask any man of 40 or 50 what he would do if he could only go back and start over and he will tell you that he would study his work.

These older men speak from experience. They know that every year it becomes harder and harder for any man to win even moderate success without specialized training.

This is particularly true of the young man in business. For business is becoming more complex every day. And as it becomes more complex, there is increasing demand for men who are trained to do some one thing well.

And the best of it is, there is an easy, fascinating way for you to get this training without losing a day or a dollar from your present occupation. You can get it right at home through the International Correspondence Schools.

Jesse G. Vincent was earning barely a living wage when he enrolled with the I.C.S. Today he is one of the Vice-Presidents of the Packard Motor Car Company.

Six months from the day Frank E. Fehlman enrolled for the I.C.S. Advertising Course he started an agency of his own. Today he is Vice-President of Lord & Thomas and President of the New York Advertising Club as well.

J. G. Kingsbury, President and Treasurer of the Grant Manufacturing Co., is a former I.C.S. student. So are Overton Fulton, Secretary and Treasurer of the Alabama Fuel & Iron Co., and J. F. Richman, Production Manager for the Cole Motor Company.

Robert E. Ramsay, former editor of Advertising and Selling, and now Vice-President of the J. F. Newcomb Company, of New York, is another man who says that the I.C.S. laid the foundation for his success. So does A.B. Hall, of Boston, who won the Associated Advertising Clubs cup for the best sales letter campaign.

Frank A. Bayer rose from assistant shipping clerk to Traffic Manager of the National Paper Can Company; Clarence W. Collins became Freight and Passenger Agent with the Southern Pacific Railroad, and George A. Grieble, of The Grieble Co., erected more than $6,000,000 worth of buildings in Cleveland in 1920.

Aubrey B. Carter secured a Civil Service appointment within six months after he started to study with the I.C.S. and is now Secretary to the Comptroller of the United States Currency.

THE success of the International Correspondence Schools in Business Training, as well as in technical subjects, has been due not only to the personal, problem-solving method of instruction of which they were the originators, but also to the high business and professional character of the men behind the courses.

Among the more than 300 men who have contributed their experience and advice to the preparation of I. C. S. courses are:—

J. Lee Nicholson, C. P. A., First President of the National Association of Cost Accountants; Edgar P. Trask, Assistant Naval Architect, The William Cramp & Sons Shipbuilding Co.; Charles J. Nasmyth, F.A.A., C.P.A.; Dr. Owen L. Shinn, Professor of Chemistry, University of Pennsylvania; Stanley Rhoades, Telephone & Telegraph Engineer, New York Central Railroad; J. H. King, Research Engineer, Babcock & Wilcox Company, New York; Bradley Stoughton, Mining Engineer and formerly Secretary of the American Institute of Mining Engineers; S. G. Whitehead, Special Traffic Agent of the American Express Company; A. Hamilton Church, the well-known industrial engineer; Edward P. Moxey, Jr. A.M., C.P.A., Professor of Accounting at the University of Pennsylvania; and Dr. Clarence Stratton, Director of English, Cleveland Public Schools.

Whatever the course, if it is an I. C. S. course, you can be sure it represents the best thought of men who are leaders in that particular field and is drawn from their *practical* experience.

It is the business of the International Correspondence Schools to help men to get ahead in business—to earn more money—to have happy, prosperous homes—to know the joy of succeeding. They are ready to help you—no matter where you live—no matter what your circumstances or your needs. All you need is the will to do and the decision to make the start.

Here is the familiar I. C. S. coupon. It takes but a moment to mark the work of your choice, tear out and mail. There's no obligation and not a penny of cost, yet that one single act may be the means of changing your whole life. Today—not "Tomorrow"—is the day to take your first definite step toward Success.

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Nicholson Cost Accounting	Civil Service
Business English	Railway Mail Clerk
Bookkeeping	Common School Subjects
Private Secretary	High School Subjects
Business Spanish	Illustrating
French	Cartooning

TECHNICAL AND INDUSTRIAL DEPT.

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Electric Lighting	Contractor and Builder
Electrical Wiring	Architectural Draftsman
Mechanical Engineer	Concrete Builder
Mechanical Draftsman	Structural Engineer
Machine Shop Practice	Plumbing and Heating
Railroad Positions	Textile Manufacturing
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—*Philadelphia Record.* .....Mex. $4

Edward Evans & Sons, Ltd.

Shanghai Tientsin

were: additional cable facilities on the Pacific, the establishment by the American government of adequate consular buildings and the support of the chamber in connection with the development of the Shanghai American School. In this connection he said:

"It is needless to go largely into detail in connection with this most necessary institution. We all know what educational privileges mean to the American citizen and we realize the great value which comes from having in our midst facilities for fitting our children, all through the junior grades leading up to preparation for college.

"The progress made during the past year has been most satisfactory. The purchase of more than 100 mow of land, conveniently located near Avenue Joffre, has been completed and a temporary building for use of the primary school will be in readiness for the autumn term, and tenders for the erection of the main buildings of the group have been received and are under consideration. The school will be well staffed with capable instructors and the enlarged scope which the new institution offers will entirely remove the unfortunate condition which existed in the past when it was necessary, for educational purposes, to send children home at an early age.

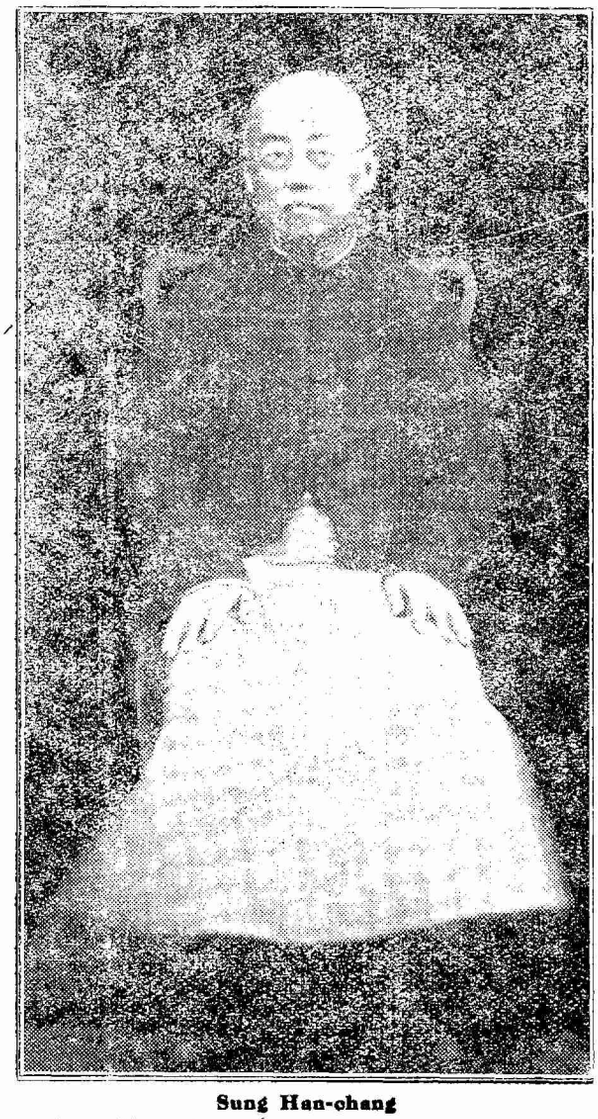
"During the drive for funds last October more than Tls. 150,000 was subscribed to augment existing funds and the popularity of the movement was evidenced by the fact that nearly every American in Shanghai together with quite a number from outports, as well as a number who are not Americans, became a contributor."

Paul Page Whitham, in a report dealing with the development of the Shanghai harbor cited the prediction of Captain Robert Dollar, made a short time ago in Seattle that Asia within twenty-five years would see a vast increase in commerce and utilization of resources such as no other country in the world had shown with the possible exception of the United States. Other men of large affairs, he said, had seen this coming and had manifested their faith in it, so that it was incumbent upon the American businessmen of Shanghai, in conjunction with all other nationalities, to get behind this movement to keep Shanghai the greatest port in Asia by aiding in the development of the port.

J. B. Powell, honorary secretary of the chamber and special representative of the chamber in Washington, D. C, for the past year reported the status of the China Trade Act and read a statement from Congressman Dyer of the House of Representatives to the effect that the Senate was expected to ratify the measure within a short time and that President Harding was practically certain to sign the bill and immediately put it into effect.

J. S. Dolan, treasurer of the chambers reported the finances in good condition with practically sufficient funds in hand to carry through the present year. The chamber now has its own premises in the new Robert Dollar building.

Sung Han-chang Heads Chinese Chamber



Sung Han-chang

Sung Han-chang, manager of the Bank of China at Shanghai, was elected chairman of the Chinese General Chamber of Commerce at a meeting of the executive committee held on Sunday, July 2, with Fan Siao-peh of the Tung Lu Bank as vice-chairman.

Mr. Sung is fifty years of age and a native of Fukien Province. His first work was with the

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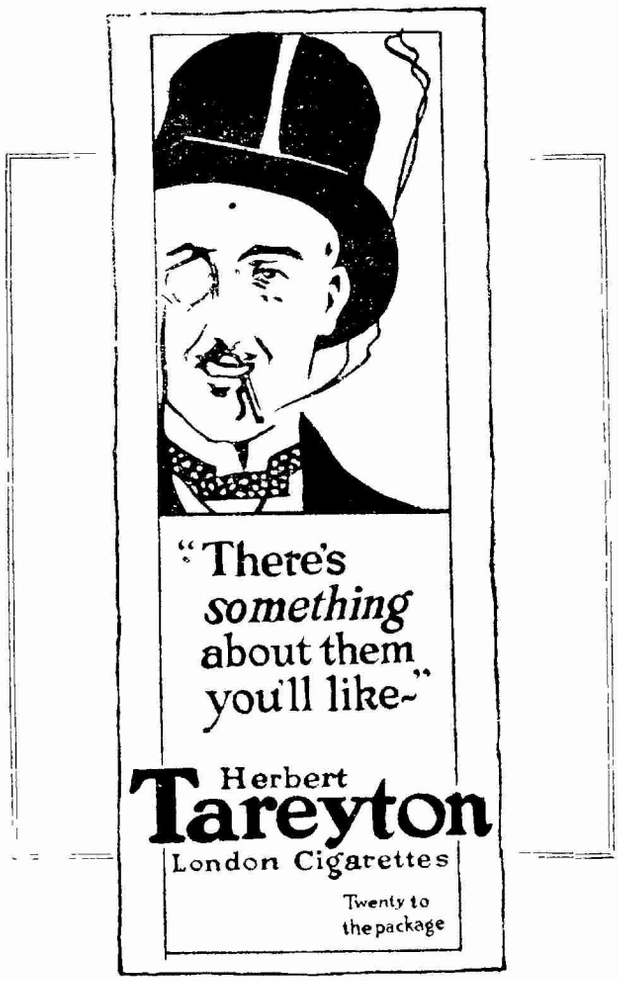

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Y. R. Sun, Manager

T. D. Zar, Sub-Manager

Chinese Telegraph and the Customs Administration. In 1906 Mr. Sung started the Peking Savings Bank, but returned to Shanghai in 1912 where he served as liquidator of the Ta Ching Bank. After completing this work Mr. Sung assisted in the organization of the Bank of China.

In May 1916 Mr. Sung won a national and international reputation by defying President Yuan Shih-kai who issued a mandate ordering the removal of the office of the Bank of China from the International Settlement to Chinese territory, the purpose being to gain control of its note issue. Mr. Sung opposed the presidential mandate and thus prevented a disastrous panic in Shanghai and a general disruption of trade. He has been president of the Shanghai Bankers Association, the Red Cross Society of China, the Anti-kidnapping Society, the Shaohsin Guild and other organizations.

Later in the week it was reported that Mr. Sung had decided not to serve as president of the chamber for the coming year, but efforts were being made to induce him to reconsider.

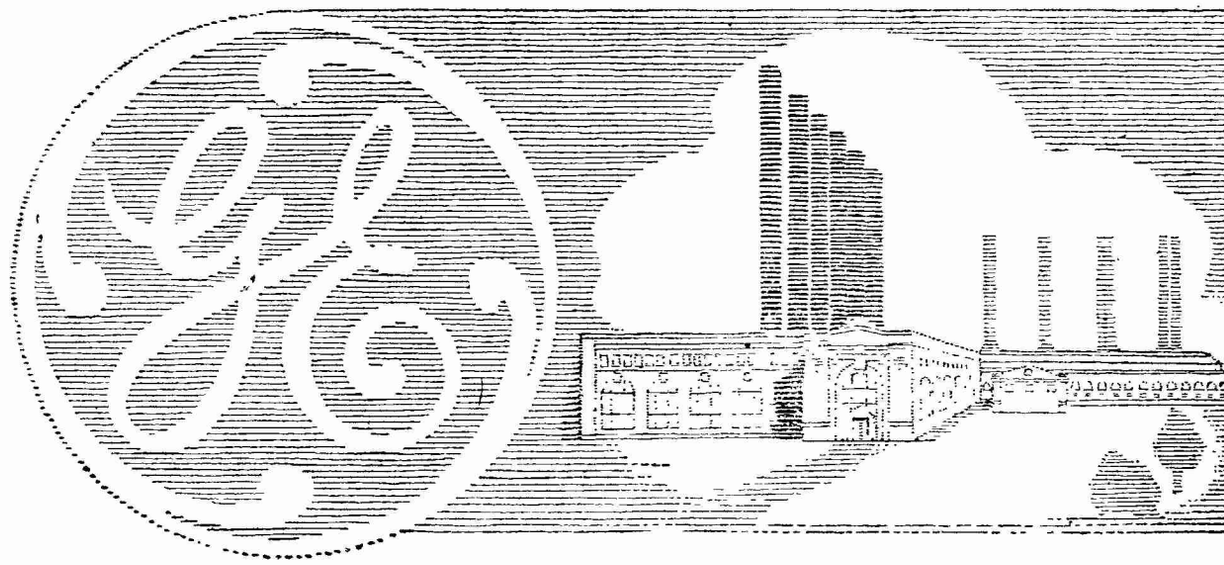
Dr. Sze Receives Honorary Degree at Columbia

The above is a picture of Dr. Sao-ke Alfred Sze, Chinese Minister to United States, taken on June 8, when he received the honorary degree of Doctor of Laws from Columbia University. Dr. Sze received similar honors from McGill University Montreal, on June 2. Others receiving honorary degrees at the same time were: Jan Ignace Paderewski, pianist and ex-Premier of Poland, and Baron de Cartier de Marchienne, Belgian Ambassador to United States. After receiving the honorary degree Dr. Sze sailed for England, where he will spend a month visiting his children, who are in school there.

The Chinese Revolution and the Chinese Woman

When the Chinese girl student goes to America and comes in contact with the Western girl's customs, she undergoes a marked change in her living conditions and home life generally. It is during this period of change or revolution that Miss Rosalind Mei-Tsung Li, a girl student in America, has observed that the woman student will cling to her old ideals longer and faster than the Chinese man student, who is in new surroundings.

Miss Li, in taking a census of Chinese women students in America, says there is an amazing uniformity of personality of Chinese women which shows they have all been dominated by the same ideals, the two most important being: usefulness and



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11-69

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correctness. Miss Li has the following to say in a recent issue of the *Chinese Student's Monthly*:

"Is it not abnormal that with so many Chinese young men and women in America studying together in all colleges and universities of America, all in the supposedly romantic age, no scandal has ever occurred? How correct are our introductions. How geometrically correct is our conversation with men, in so far as we can be credited with conversation. How "chillily" correct is our dress. How mechanically correct are our ways of walking, of holding our eyes rigidly in their sockets. With this one idol, correctness, always before us, it is natural that the faintest suggestions of scandalare suppressed, and killed, before they are consciously recognized as possibly leading to scandals. The constant attention paid to correctness in manner, speech, action, is similar to an analysis of a sentence, as far as the Chinese woman is concerned. It comes to her by birthright and is something practised by her forefathers way back in history. Our worship of the idol-usefulness, we have accepted without reservation, the gospel of social service. With the two hundred or more Chinese girls in American universities, at least ten are studying medicine and not one specializing in art, aesthetic dancing, decorating and other sundry items. Our leisure is spent in Y. W. C. A. activities, prayer meetings, clubs, business meetings and reading of useful books.

"Our American sisters do not seem to surpass us in these respects. It seems to me that America, with all its frontiering, its manufacture, stock exchanges, has produced girls of two types, either the prayer meeting attending variety of petty, pale girls who populate the Main Streets or the flappers of the Broadways. Of course there are other types. But China has had time to produce something better. It has not been in vain that our much venerated Confucius lived some five or six centuries before Jesus?

"If the Chinese Revolution is to be something which our descendants shall be proud of, it must mean a renewal of life. Of course, it cannot renew life in China if it does not touch the broad and populous realm of the womanhood of China."

United States Finds Japan Big Market For Cotton

In the total of all cotton consumed, Japan ranks fourth, in its consumption of American cotton according to a recent compilation used as a basis for a report for the Department of Commerce, Washington, D. C. Japan is surpassed only by the United States, Great Britain and Germany. Japan was the world's second largest consumer of cotton, excelling the United Kingdom, which at that time was experiencing a marked depression in its cotton manufacturing industries. The largest factor in the Japanese purchase of raw cotton, is the members of the Japan Cotton Spinners Association, which represents approximately 90 percent of the industry.

Nearly 750,000,000 pounds has been estimated as the consumption of cotton by Japanese mills for the seven months ending in February, this year. The principal economic factors affecting the consumption of cotton and cotton yarn in Japan are: (1) the proposed increase in the Chinese custom tariff, (2) the extent to which voluntary restriction of output is continued (3) the artificial maintenance of high prices and its effects against reduction of wages (4) the high overhead costs resulting from restricted output (5) general economic conditions in Japan and China, and (6) improvement in the domestic consumption of textiles.

The Chinese customs tariff is likely to affect the local Japanese cotton spinning industry and may cause Japanese to expand their mills in China in order to maintain their position in that market.

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Pres. Wilson, S'hai, July 29. (105)

From San Francisco
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Pres. Wilson, S'hai, July 15. (105)
Pres. Lincoln, S'hai, Aug. 12. (105)

From Seattle
Hongkong and Manila.
Pres. Jackson, S'hai, July 13. (1)
Pres. Grant, S'hai, July 27. (1)
Pres. Jefferson, S'hai, Aug. 10. (1)

From San Francisco & Los Angeles
via Japan ports
West Ivan, S'hai, July 20. (5)
Bearport, Shanghai, Aug. 10. (5)

For Straits, Java Territory
Hongkong and Manila
West Ivan, S'hai, July 22. (5)
Bearport, Shanghai, Aug. 12. (5)

For Seattle
Yokohama, Kobe, Victoria
Pres. McKinley, S'hai, July 16. (1)
Pres. Jackson, S'hai, July 30. (1)
Pres. Grant, S'hai, Aug. 13. (1)
Pres. Jefferson, S'hai, Aug. 27. (1)
Pres. Madison, S'hai, Sept. 10. (10)

From Portland
Eastern Sailor, S'hai, July 23. (10)
West Kader, S'hai, Aug. 6. (10)

For Hongkong & Manila
Eastern Sailor, S'hai, July 25. (10)
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For San Francisco
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Pres. Cleveland, S'hai, July 8. (105)
Pres. Wilson, S'hai, July 29. (105)

For Seattle
Japan Ports and Victoria B. C.
Pres. McKinley, S'hai, July 16. (1)
Pres. Jackson, S'hai, July 30. (1)
Pres. Grant, S'hai, Aug. 13. (1)
Pres. Jefferson, S'hai, Aug. 27. (1)
Pres. Madison, S'hai, Sept. 10. (1)

From Seattle
Manila via Hongkong.
Pres. Jackson, S'hai, July 13. (1)
Pres. Grant, S'hai, July 27. (1)
Pres. Jefferson, S'hai, Aug. 10. (1)

(1) **The Admiral Line**
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(15) **American Trading Company,**
Robert Dollar Building, (5th Floor)
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(105) **Pacific Mail Steamship Co.**
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Marcosson Interview Causes Sensation in America and Japan

A statement in an interview given out by Isaac F. Marcosson, correspondent of the *Saturday Evening Post*, who recently visited Japan and China, to the effect that Japan was marching toward a serious economic crisis and a general panic was one of the possibilities of the near future has caused a sensation both in Japan and New York, according to a recent issue of the *Japan Advertiser*. New York business firms and banks on reading the interview immediately wired to their Japanese connections for further information and denials have been issued by Tokyo financial institutions. One Japanese banker is quoted as saying that business in Japan was rather on the upgrade with the people spending more money and the merchants doing a larger business than they had for several years. Another financier's remarks, as given by the *Advertiser*, were: "Any report that a panic is feared is without foundation. It only shows that Mr. Marcosson's investigation of economic conditions here was very casual and his conclusions are incorrect. It is most unfortunate."

Men and Events

G. A. Moskovsky, of the Asia Life Insurance Company, Shanghai, departed last week for Chita on a short business trip.

William W. Eastman, of the Western Cooperage Company, who has recently established an office in the Glen Line Building, Shanghai, returned to this city on July 4, after an extended trip through the North.

A. R. Hager, of the International Correspondence Schools, Shanghai, departed for Japan on a several weeks trip on the *s. s. President Madison*, July 2. Mr. Hager plans to return on the *s. s. President Jackson*. (formerly *Silver State*.)

Word has just been received in Japan that Gaston and Company, Inc., 165 Broadway, New York, has purchased the business connections and assets of Gaston, Williams and Wigmore, Inc., according to the *Japan Advertiser* (Tokyo).

The death occurred on Saturday, July 1, of Mrs. Herbert J. Jensen, at her home 15 Tracey Terrace, Shanghai. Funeral services were held at Bubbling Well Cemetery, on Saturday afternoon. Mr. Jensen is a member of the staff of the Koster Company.

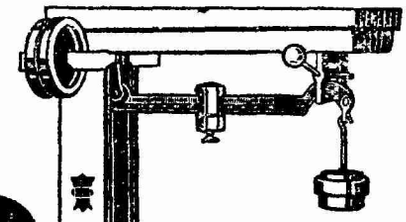
Roy C. Bennet, formerly associate editor of the *Manila Daily Bulletin*, arrived in Shanghai this week from a trip through Shantung Province. Mr. Bennet since terminating his position with the *Bulletin* has been traveling through China collecting materal for magazine articles. He will remain in Shanghai some time

James P. Davis, U. S. Consul at Bangkok, has been appointed Administrative Consul at Shanghai to succeed M. F. Perkins, who has been detailed to the Department of State for service in the Division of Far Eastern Affairs, according to word received from the Department of State. Mr. Davis was appointed from Georgia and first entered Consular service in 1917, when he was assigned to Marseilles.

A community baseball cup given by J. Rosenfeld of Shanghai, to the winning baseball team composed of Shanghai men or a team made up of the Navy stationed here, was won by the all-Navy nine, composed of the best players from the twenty or more boats in port for the holidays. It was the first time Shanghai has ever opposed an all fleet team for the trophy, in previous years the Fourth of July game having been played with a one boat's or one divisions nine. The Navy won the game with a score of 6-2.

Henry Blackwood, deputy collector of the port of Seattle, Washington, and in the service of the U. S. Treasury Department for twenty-five years, arrived in Shanghai last week, on the *s. s. President McKinley*, (formerly *Keystone State*, to become associate in the American Delegation to the China Tariff Revision Commission, new in session in Shanghai. He is accompanied by Mrs. Blackwood, and they will make their home while in Shanghai with Mr. and Mrs. Julean Arnold, 114 Kiachow Road, Shanghai.

According to word received the *s. s. Empress of Japan* and *s. s. Monteagle*, two Canadian Steamship Company's steamers, have been withdrawn from the trans-Pacific service, consequent upon the advent of the two new steamers, *Empress*



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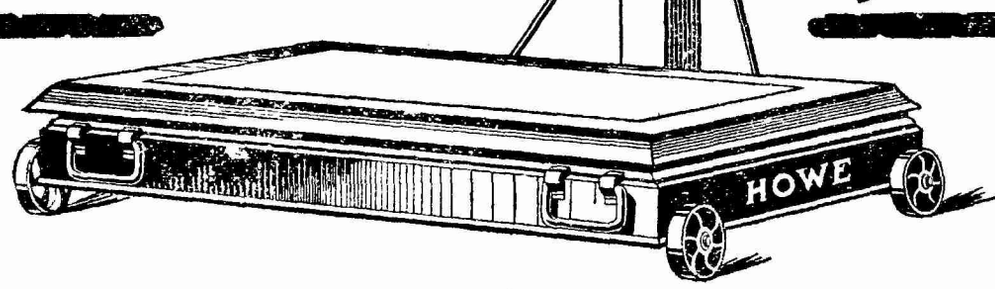

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Superintendent of Nurses,
Peking Union Medical College,
Peking.

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of Canada and *Australia*. The *Monteagle* has made nearly 100 voyages between Vancouver and the Orient and the *Empress of Japan* completes her 158th round trip voyage when she arrives at Vancouver on July 19, having covered practically 2,500,000 miles in Canadian Pacific service, and having been very popular with the traveling public throughout her long career, which has never been marred by any mishap.

H. H. Arnold, of Andersen, Meyer and Company, Shanghai, accompanied by Mrs. Arnold and daughter, Miss Yale Arnold; H. E. Marsden and M. F. Southwick of the Standard Oil Company, stationed at Shanghai and Harbin; Miss Dulcine Howe, who has been visiting her sister, Mrs. F. McIntyre of Shanghai; Miss Z. Cheeseman of the Standard Oil Company, Shanghai; W. T. Alexander, representative of the Palm Olive Soap Company, Shanghai; and J. E. Rowe, of the International Banking Corporation, a through passenger from Manila, P. I., are passengers sailing on the *s. s. President Cleveland*, (formerly *Golden State*), for America on Saturday, July 8.

According to information sent out by the Bureau of Foreign and Domestic Commerce, Washington, the exports during the month of May for China totalled G. $8,700,000, and imports, G. $8,000,000. The cable read: "Steel, automobile, building and leather industries were very active. Car loadings were on the increase while idle cars on the decrease. Stock exchange was irregular. Foreign loans floated in the United States first four weeks in June G. $80,000,000. The textile strike was weakening and coal strike serious. Railroad shipment strike threatened. Spot middling cotton twenty-two point twenty." The April American exports to China were G. $9,300,000 and imports from China G. $10,400,000.

Dr. C. A. Reed, nut culturist of the United States Department of Agriculture, will arrive in China sometime this month for the purpose of investigating the walnut industry of China. He will make his headquarters at the College of Agriculture and Forestry, University of Nanking, Nanking, and from there make trips into the walnut districts. In order to make Dr. Reed's visit a profitable one the College of Agriculture and Forestry is very anxious to get in touch with persons living in districts growing walnuts, either in orchards or as individual trees so that an itinerary may be planned. When writing to the college, as much information as possible should be given regarding the extent of the industry, quality of nuts grown and any other information which would help in deciding on the advisability of visiting the region.

America May be Forced to Intervene in Cuba

According to recent American papers reaching China the financial situation in Cuba had become so serious that it was feared intervention by the United States might become necessary. General Enoch H. Crowder, special observer for the United States, has been in Cuba for nearly two years trying to straighten out the financial muddle, but on June 10 the entire Cuban cabinet resigned leaving President Zayas in sole charge of the government. Cuba enjoyed unusual prosperity during the European War as a result of the high price of sugar and at one time had the highest per capita wealth of any country in the world. The prosperity lead to extravagances on the part of the government to such an extent that when the depression came the government was unable to retrench and financial chaos resulted. The situation became so serious that President Harding sent General Crowder to Cuba to help straighten out the trouble. Now it seems that actual intervention may become necessary, owing to the refusal of the Cuban officials to adopt taxation and retrenchment measures recommended by General Crowder.

Judge Lobingier on Way to China to Resume Work

The *Review* is in receipt of the following message from its Washington correspondent, dated July 1:

Judge Charles S. Lobingier is leaving Washington tonight to resume his work as judge of the United States Court for China. Coincident with Judge Lobingier's departure, President Harding made public a letter which he had written to Judge Lobingier which read in part as follows:

"I shouldn't be satisfied if I didn't say to you that in investigating the Shanghai American Court matter I invited the fullest cooperation of the Department of Justice. My decision in exonerating you of all charges, accords fully with progress to your post and hope that your speedy return will make up as far as possible for the delay in the work of the U. S. Court which resulted from the filing of the charges."

Signed: Warren G. Harding.

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TOKYO, (JAPAN).

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July Fourth Observed by Americans in Shanghai

Independence Day was observed by the American community at large on July 4, and was one of the largest celebrations ever held in Shanghai. This fact was partly due to the Asiatic fleet stationed here for the holiday, reinforced by some 3,000 sailors, in addition to officers and staff.

Early on Tuesday morning at 8 o'clock promptly, the flag raising took place at the American consulate in the presence of a large number of children from the Shanghai American School. Edwin S. Cunningham, United States Consul-General read the Declaration of Independence, followed by Lieut. Lavender who gave a brief talk on the significance of "the stars and stripes. An official reception to members of the various Consular bodies in Shanghai, in addition to Chinese officials, was given at the home of Consul-General Cunningham, assisted by M. F. Perkins, who leaves shortly for America and Admiral W.H. Bullard. Owing to the small proportions of the American Consular premises the reception was not made general, however a large gathering of foreign officials were present. The apartment was brilliant with full-dress uniforms of Chinese naval and military officers, and the more sober but none the less striking gold and white of most of the foreign consular and American naval officers.

Rear-Admiral W. H. G. Bullard, commanding the Yangtsze patrol of the American fleet proposed the toast of President Harding, which was enthusiastically responded to by everyone. As befitted a sailor the American Admiral adjured the usual patriotic platitudes. His remarks in proposing the health of the day occupied exactly two minutes. and were earnest and to the point. Following this official reception the American Club was at home to its members and guests. A baseball game between the Shanghai team and a team composed of men from the U. S. destroyers in port took place at the Race Course at three o'clock which resulted in the Navy defeating Shanghai. From four to five o'clock a reception was given on board the *U. S. S. Huron*, which was specially decorated for the occasion. Admiral Bullard acted as host in the absence of Admiral Joseph Strauss. A fireworks display was given at the Race Course following the pageant given by American school children showing various stages in the development of the United States. This was under the direction of Miss Eleanor Kitchen of the Y. W. C. A.

A lawn supper followed the entertainment and during the evening private dinners were held, carrying on the celebration of the Fourth of July.

News from North China

W. P. Galvin of the Asiatic Petroleum company (North China) has been presented with the Order of the Chia Ho, 6th Class, by the Chinese government for services rendered during the period of the world war.

General Chang Tso-ling at one time promised to return the rolling stock in his possession for the use of the general traffic on the Peking Mukden Railway. Now he has refused to carry out his former promise.

Upon the representative of the International Famine Relief Bureau, the Ministry of Finance has granted a further exemption of three months on the payment of taxes covering foodstuffs transported in the famine regions.

Justice Grain, acting Chief Judge of H. B. M's Supreme Court at Shanghai, who left that port on Tuesday is expected to arrive at Tientsin on Sunday. His lordship will stay at Tientsin for a fortnight.

President Li Yuan-hung has donated his salary to the primary schools in Peking for their maintenance. His salary comes from the Peking *Octroi*, and this provision will prove ample for needs. The primary schools need not worry now about their funds.

President Li Yuan-hung has received a telegram from General Wu Pei-fu stating that in his refusal to accept the portfolio of war, General Wu has not changed his policy of troop-disbandment and has not modified his former pledges to President Li concerning the abolition of the tuchun system.

A. Bruschweiler, of Gallusser and Company, Tientsin, was found dead on June 27, from a bullet wound, in his office, corner of Woodrow Wilson and Third Streets, ex-German Concession. Mr. Bruschweiler has not been in good health recently and appeared to his closest friends and relatives to be highly depressed.

The new French Municipal market in the French concession at Tientsin will be formally opened tomorrow morning at 9 o'clock by the French Consul General, M. Saussine. The French Chamber of Commerce and the Chinese Chamber of Commerce in the French Concession will participate in the ceremonies.

The National Financial Commission has been appointed. Dr. Wellington. K. Koo has been made president of the

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commission. Dr. Koo has been unwell and desires a rest, and therefore declines to take up the new office for the present. He is reported to have stated that if he decides to head the commission he can remain in China only for two months.

Missionaries of the American Board Mission in China have received word that their salaries have been increased approximately 20 percent This increase is retrospective, and dates from the first of last January, so that there will be something in the nature of a bonus waiting for them from the accumulated increase during the last six months.

General Chang Tso-ling in Manchuria is strengthening his position. He is recruiting new soliders, and paying them in hard cash. The rumor is that General Chang will watch for an opportunity to recover his lost power whenever the opportunity is ripe. Chihli fears the possible invasion by Manchuria in the event of all the Chihli troops being withdrawn from Shanhaikwan.

The members of the old Parliament held a meeting last Saturday in the House of Representatives building, with the Speaker of the Senate, Wang Chia-hsiang in the chair. Wu Chin-Lien, Speaker of the House of Representatives, made a report of the question of allowances for the members of Parliament. He said that each member would be entitled to a travelling expense of $200.

General Wang Ch'eng Ping, commander of the Twenty-third Division of the Chihli Troops, has been appointed Civil Governor of Chihli. General Wang is now in Paoting-fu, confined to bed. He is reported to be unwell. His illness is commonly regarded as an official one. It is said to be a protest to the appointment as Civil Governor of Chihli without consulting him previously.

A meeting of the shareholders of the Peking tramways was held in the early part of this week, and it was decided at the meeting to begin construction at once. Money for the entire enterprise would be raised by public subscription, and an organization which calls itself the Self-government Association of Peking now claims the rights to supervise the management of the new public utility.

General Tsao Kun and General Wu Pei-fu, according to reports in circulation, have been disagreeing on political questions of the day. General Wu has been General Tsao's subordinate, and has still been trying to be obedient to his chief. General Tsao has threatened to go to Tientsin for retirement while General Wu has decided to go back to Loyang to train troops and leave politics alone.

At a meeting of the foreign military commanders at Tientsin on Thursday, it was decided that foreign military escorts should accompany the trains to Peitaiho for the time being in order to deal with the Chinese soldiers who try to delay them. A guard of the officer and sixteen men would be on the train, to that locality, and the locomotive of the train would display the flags of all nationalities concerned.

Hsiung Hsi-ling, former Prime Minister and Minister of Finance, and at present president of the Chihli River Commission, will leave for Shanghai some time next week to meet his daughters, who have been studying in America and who are returning to China for a brief visit with their parents. Mr. Hsiung, while on his way to Shanghai, will stop over at Tsinan in connection with an educational conference.

Consul General Yoshida, of Japan, and Madame Shigeru Yoshida, entertained at a musical evening on Wednesday evening in the Japanese Consular residence on Victoria Road at Tientsin. The guests were treated to a violin solo by the hostess, Madame Yoshida, who played with skill. Among the guests were all the foreign consuls and their wives, and officers of the foreign military commanding offices.

Chang Chien, industrial leader of Tungchow, has accepted the presidency of the Bank of Communications. In a telegram to the Minister of Finance and the Minister of Communications, Mr. Chang said that it should be remembered that he is seventy years old and not too strong physically. However, bearing in mind the importance of this banking institution on the financial and commercial life of the country he said he did not dare to refuse to accept the position.

The editor of the *Peking and Tientsin Times* advocated in the column of the *Times* the establishment by the Chinese government of an opium monopoly to raise funds for the disbandment of troops. He said that poppy cultivation had been allowed by militarists and protected by them any how. As long as the soldiers are permitted to interfere in opium prohibition, there would be no hope for the stopping of opium smoking. The plan is to monopolize opium, secure money for the disbandment of troops, and tackle the opium question after the removal of military menace.

Peking, June 30, 1922.

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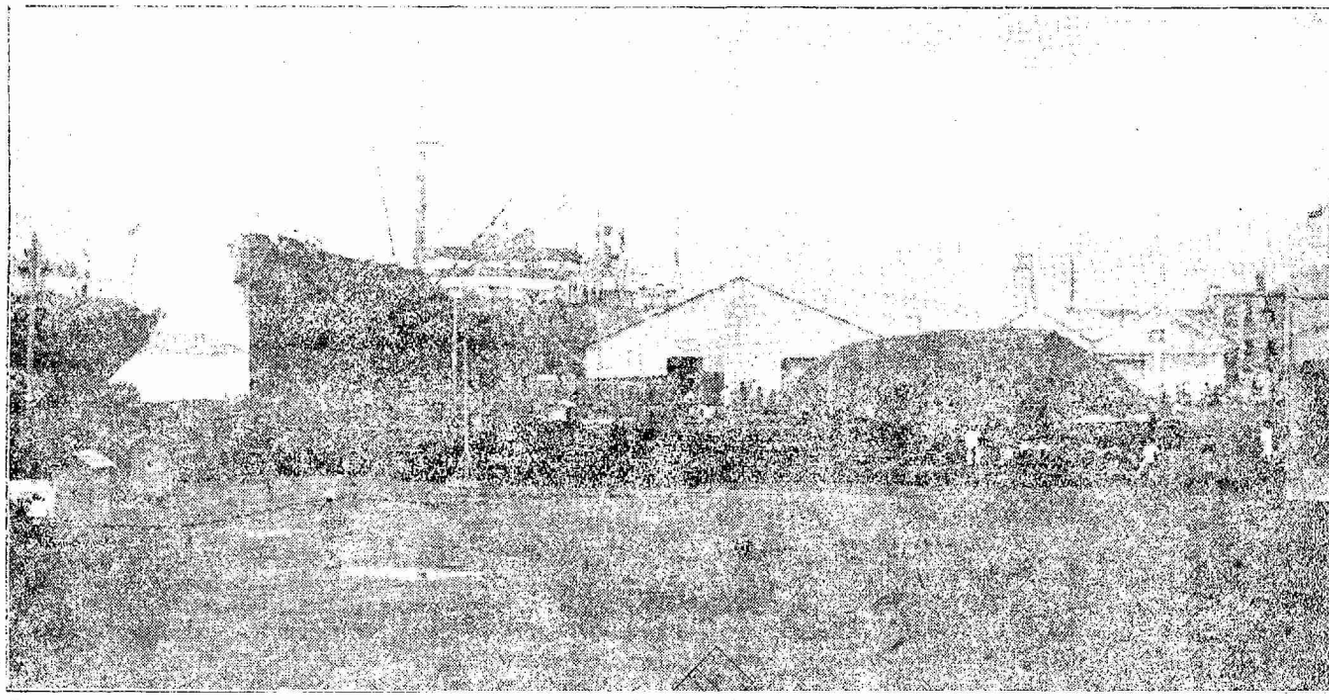

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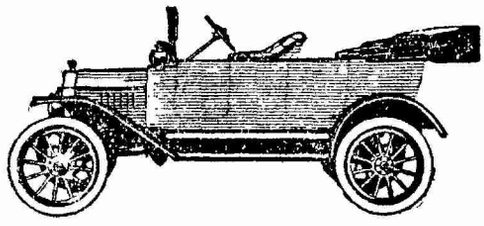

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21-244

News from Central China

Cholera epidemic is now in strong evidence among the Chinese populace in Wuchang as well as outside of the city. The epidemic was at first discovered among the working class living outside of the city, but it rapidly gained its way into the city and is now spreading. At Hanyang the epidemic is also making its debut, many cases having been found among the Chinese.

David Z. T. Yui, chairman of the Shantung Railway Redemption Society and general secretary of the Y. M. C. A. National Committee, in company with H. A. Wilbur, of the National Committee, recently visited Changsha, where Dr. Yui had a successful lecture campaign on issues of the Washington Conference. Returning from Changsha on June 22, Dr. Yui and Mr. Wilbur left Hankow for Shanghai last night.

Aside from the abolition of Tuchuns and Super-Tuchuns, the offices of garrison commissioners shall probably be abolished inasmuch as such commissioners have virtually a similar function as Tuchuns. The Garrison Commissioner of Hankow has received word from Peking that his post will be withdrawn. It is stated that two garrison commissioners in Shensi and Honan have been relieved of their present positions.

A rice crisis is reaching a high tension of distress on the Chinese people at large in Hankow who are startled at the alarming advance of rice prices to the highest figure in its history, 20.000 cash per picul. The unprecedented tension of the rice crisis is due entirely to the manipulations of profiteers, most prominent among whom are the rice mills who have formed themselves into a combine capable of dictating prices in Hankow rice market.

The Japanese colony at Ichang are organizing a Japanese Volunteer Company for Ichang with the purpose of protecting their commercial and other interests, in view of the unsettled conditions and general lawlessness now prevailing in that part of the country. The Japanese volunteers will also endeavor to protect other foreign interests as well, and for this reason the organization is very much welcomed by foreigners at Ichang, according to the Japanese Hankow *Jih Pao*.

Advice has been received at official sources in Wuchang from Paotingfu that responsible leaders of the Old Chiaotung clique and the Anfu party are now overrunning the Yangtze provinces with a view to agitating political disturbances so as to upset the *status quo* on the Yangtze Valley. The strictest martial law has been proclaimed by the Wuchang governors, and commanders of troops are ordered to warn against instigation by interested agents among their troops.

On the river side at Chiaokow, the factory center of Hankow, will be situated a new flour mill promoted by Liu Kay-tse. A large piece of land has been purchased by the Yeu Hwah Company, with a capital of $200,000. The machinery for the new mill has been ordered from Germany through a German firm in Shanghai, and the whole consignment will be delivered after five months. A dinner was given by Mr. Liu at the Hing Fah Restaurant to the partners and friends.

Chihli troops under General Chang Fu-lai at Yochow, Hunan, are ordered by General Wu Pei-fu to march to Changsha and occupy the capital of Hunan to safeguard Commander Chao Heng-ti's position which is threatened by his antagonistic factions. Governor Chao has lost control of his subordinate officers whose activities in conjunction with Chao Heng-ti's enemies may involve Hunan in fresh chaos. Changsha is now flooded with rumors of the forthcoming disturbances and panic now reigns in Hunan.

General Wu Pei-fu has endorsed the proposal of Admiral Tu Shih-kwei, commander of the S econd Squadron of the Chinese Navy on service on the Yangtze Valley, to increase the forces of landing parties of gunboats of that fleet. About 4,000 troops have been relieved at Paotingfu by General Wu who will transfer them to service in the Yangtze Navy. It is persistently rumored that General Wu intends to strengthen his position on the Yangtze river, which is highly necessary in his program for the reunification of China.

The unrestricted importation from outports to Hankow of light weight copper coins has caused an astonishing depreciation in cash currency in Hankow markets, one dollar now being exchangeable for 192 cash cents, or in other words almost double its nomination in cash cents. A heavy slump is now tightening business down in native markets, where most lines of business have their receipts in cash currency, while they have to pay for their stocks in the Chinese time-worn silver currency of tael.

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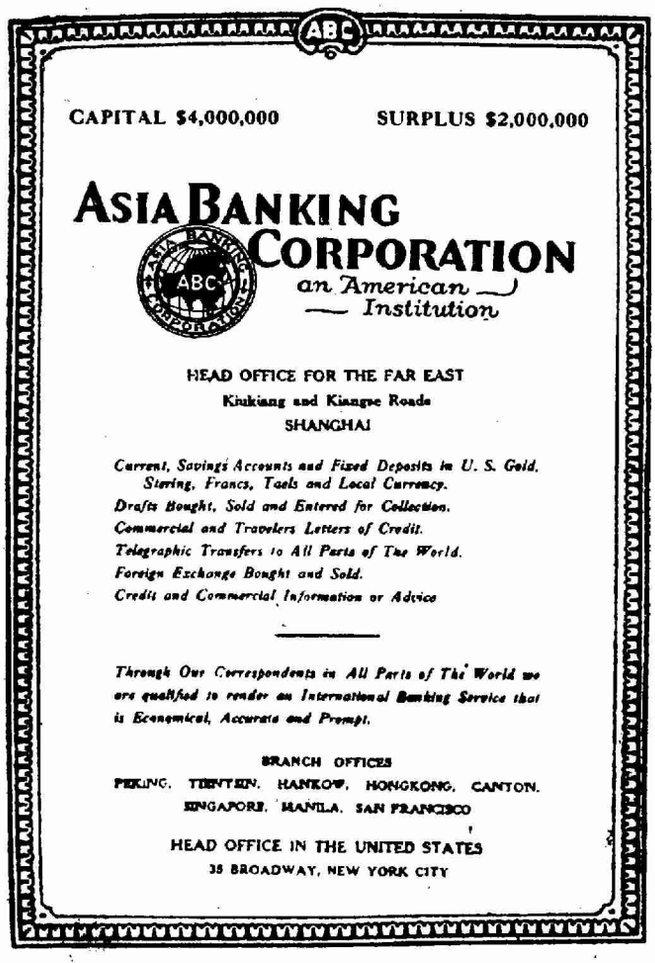
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General Chen Kuang-yuan, former Tuchun of Kiangsi, who has resigned on account of General Li Lieh-chun's attack on Kiangsi, passed through Hankow this week on his way to Paotingfu where General Wu Pei-fu is awaiting his report on the Kiangsi situation. While in Hankow he was entertained by the Governors of Wuchang, and it appears that though General Chen complied with Peking's order of his dismissal from Kiangsi Tuchunship, he only did so under compelling circumstances. He left Hankow last Tuesday, June 20.

The fourth modern cotton mill is being organized by a group of merchants formerly employed by the Government Cotton, Silk, Cloth and Hemp Mills, and will be known as the Yue Hua Cotton Mill. The government mills have suspended operations on account of financial distress, most of the capital has gone to official management, or given up to the Wuchang authorities as military loans. These government factories are very profitable industries, and certain militarists are trying to secure the lease that they may operate them again.

The death of General Li Lieh-chun, the commander-in-chief southern expeditionary forces against Kiangsi, remains a mystery. It was officially reported and announced in Hupeh and Kiangsi, but at the same time, exchange of telegrams between Li Lieh-chun and President Li Yuan-hung has been kept up. Another mysterious part of the news is the fact that General Li Lieh-chun's name was mentioned at a Cabinet meeting in Peking for the post of Vice Commissioner of the Disarmament and Disbandment Commission for doing away with superfluous troops.

K. C. Lee, a Korean resident of Wuchang who was imprisoned in Wuchang after the Japanese police from Hankow failed to effect the arrest in a Chinese city, has been released after vigorous protests from various Chinese organizations. The Korean is the proprietor of a stocking factory in Wuchang. The Japanese Police Station sent four Japanese over to Wuchang to arrest Mr. Lee on the charge of complicity with the murder case of Baron-General Tanaka at Shanghai, which resulted in the death of an American lady, Mrs. Snyder.

A farewell function was held by officers and commanders of the Japanese garrisons at Hankow that have been ordered by the Tokyo government to withdraw to representatives of Hankow, foreign and Chinese, in their compound on June 21. Commander Kurata made a statement in which he said: "Of course our troops, for the sake of humanity of the world, hoped for the welfare and happiness of all residents of Hankow, have done we think something for their protection. Happily there have happened no great troubles in this center, and during the long stay of the garrisons, we have been able to maintain cordial relations with our friends of various nationalities."

The Nanchang Chamber of Commerce has paid $100,000 to the former Tuchun of Kiangsi, who demanded the money to pay the local troops and police to keep them from running rampant. The new governor of Nanchang, Commander Tsai Chen-hsun, is apparantly following the procedure in vogue among Chinese militarists now-a-days. The first thing he did in Nanchang was to present his difficulties of keeping soldiers from looting and mutinying, and then demanding funds from local organizations. The Kiangsi Banking Corporation, the Nanchang Salt and Money Brokers guilds have undertaken to raise a loan of $200,000, while the Bank of China in Nanchang is requested to loan another $100,000.

A telegram was received at foreign sources in Hankow on June 21 from Nanchang stating that Kiangsi soldiers, from 10,000 to 15,000 of them, mutinied and looted the city of Kian on June 20. After the sacking of Kian, they proceeded in the direction of Changsha and looted three other towns on the way. Efforts were made at once by American and British gunboats to hurry to Nanchang and the Kan River in order to bring such foreigners as may wish to escape. But subsequent reports indicate that foreigners were given assurance of protection, and most declined to go out on board the gunboats. The *U. S. S. Monocacy* and the *H. M. S. Cockchaffer* are now patrolling on the Nanchang water. At Kiukiang are *U. S. S. Isable*, *U. S. S. Quiros*, *H. M. S. Bee*, and *H. M. S. Foxglave*.

Hankow, June 25, 1922.

Week's News Summary

GENERAL

June 29. Manila dispatch says returns from all but a few provinces of the Philippines have been received, and general election will result in complete repudiation of the Naclonalista Party, which has dominated island politics for last fifteen years.——Paris report says recently appointed inter-Ministerial Committee reaches decision favoring restoration of Banque Industrielle de Chine.——Washington report says Senate adopts conference report on Army Bill, providing for Army of 137,000 men during coming year, which has passed House of Representatives.

June 30. Officially stated that the Cabinet Council has approved scheme to establish new Banque Industrielle de Chine with capital already guaranteed by powerful banking group, according to Paris dispatch.——Washington report says President Harding interferes in coal strike and has arranged coal conference, representatives asked from all United States coal fields.——Mexico City report says majority of employes of Cortez Oil Company, which are reported mostly British subjects, are taken captive by Mexican bandits.

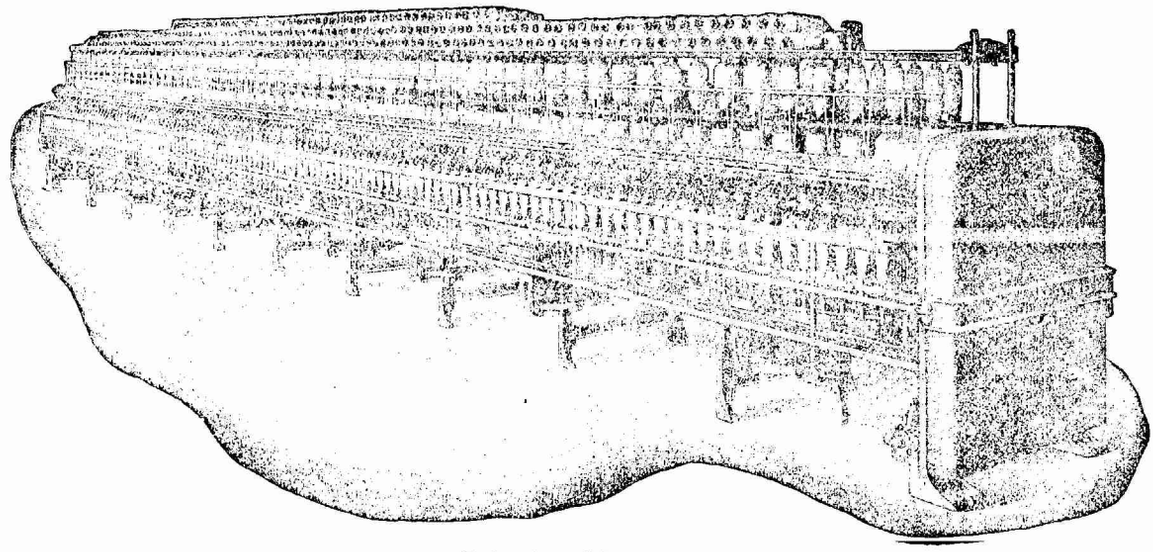
July 1. London report says civil warfare still exists in Ireland with outrages in many districts.——Paris report says M. Poincare, dealing with reparations, declared that Germany's apparent poverty was simply pretence.——Moscow report says Trans-Siberian Railway will be opened in 1922, with few drawbacks.——Washington report says rebels in Mexico have liberated employes and evacuated the property of the Cortez Oil Company.

July 1. A strike order is issued for July 1, which involves 400,000 railway shopmen throughout the country, according to Chicago report.——London report says Anglo-Persian Company's new oil refinery at Swansea, constructed in three years at cost of £3,000,000 is opened by president of the Board of Trade.

July 3. London report says surrender takes place of principal rebel stronghold in Dublin and a new fortress formed in Sackville Street and Guerilla warfare in many districts, with De Valera leading the Republicans.——Sydney report says a strict economy campaign will be launched in connection with Australian Forestry Conference.——Chicago report says American railway strike is spreading with thousands of men responding to nation-wide strike.

July 4. U. S. Railway strike reports 90 percent of shopmen out but trainmen are still working.——Several cruisers of the French government will make a world tour when Admiral Gilly, assumes command of the Atlantic flying squadron, according to Marseilles report.——London firm receives order for 1,063,000 cotton spindles in America.——Riga press states that Russo-German have secret military

COTTON MILL MACHINERY



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convention planned, at which plans will be made for German General staff to train and equip Soviet Navy and Army, 500 new airplanes, gas and munitions factories, and twenty battleships as immediate reward Germany.

July 5. Renewed fighting in Dublin is latest London report.——A memorial in Westminster House, London, is held in honor of British American Tobacco Company men who fell in the war, it being estimated that 3,385 of the company's employes had joined the forces during the war, of whom one-tenth, namely 353 had been killed or died from wounds.

Current Market Reports

Weekly and Monthly Conditions and Quotations of China's Principal Markets

Weekly Cotton Market Report

By A. B. Rosenfeld & Son

China Cotton:—During the past week, the market was uneventful, but with rather a steady undertone in a general way, with nothing of special importance transpiring.

The outlook for the immediate future continues uncertain, but aside from intermediate fluctuations, the dominant factor in settling the question of the price at which the balance of this crop will be sold, is undoubtedly to be found in the outlook of the next yield.

Looking at the situation in the broadest way, we believe that if the weather clears up in this Province and along the Valley within the next few days and considering the flattering reports to hand from the other growing centers, the preponderance of chances will be against the market. In the meanwhile, however, the market will be governed by weather conditions in the aforementioned sections of the cotton belt and by the action of professional operators. Mid-Americans have had a reaction of some 150 points, then recovering some 70 points and we believe is now on its way to a new high level.

Extracts of Correspondence

Kiangsu Province, 28th June:—On account of the bad weather we have had for the past week there has been little farm work done in this province. Clear, and warm weather is needed to finish chopping out, and to free the crop from grass.

Yangtze Valley, 26th June:—There has been too much rain and the weather has been too cool during the past few days for the young plant.

Chekiang Province, 26th June:—Since our last report, cotton has made rapid improvement. Although there has been too much rain in this province, nevertheless, with a few days of dry weather there would be quite a change in the prospects,

Shensi Province:—No report to hand.

Shantung and Chihli Provinces:—No news.

Yarn:—Nothing bullish has come to light since our last report was issued. Our market during the interval continued steady to weak with a feeling of assurance that no firmness is likely to develop in this direction for some time to come, due to the lack of demand from outports and heavy stocks by local spinners. However, we are of the opinion that the market will not show any definite signs of activity until stocks are cleared.

Liverpool, June 29, 1922.

Liverpool Market:—

Middling American, Spot .....13.19 Pence
" " July .....12.74 "
" " October .....12.39 "
Market:—*Steady.*

New York, June 29, 1922.

New York Market:—July.....21.68 Cents
October .....21.65 "
December .....21.45 "
January .....21.21 "

March.....21.06 ,,
Spot .....22.20 ,,
Market:—*Steady.*

Bombay, June 29, 1922.

Bombay Market:—

Broach, F. G. July/August .....Rps. 520 per Khandy,
Fully Good Bengal, July..... ,, 385 ,, ,,
Fine Oomra, July ..... ,, 457 ,, ,,

Market:—*Steady.*

Shanghai Market:—

Tungchow Spot.....Tls. 35.50
Tungchow October/November..... ,, 32.00
Shanghai Spot ..... ,, 33.00
Shanghai October/November ..... ,, 29.50
M-ginned, Spot ..... ,, 33.00
Taichong Spot ..... ,, 33.50
Tone of the Market:—*Steady.*

Weekly Silk Market Report

China Steam Filatures: The China Steam Filature market is very firm. Several hundred bales were done for America within the last few days, on the basis of Taels 1220 for F. L. and Taels 1235 for Yuen Yuen 12/22 deniers. There is only a small demand for Europe.

Tsatlees: Market remains quiet and unchanged. There is a small demand for lower grades.

Tussahs: There is no business reported. The Stock is almost exhausted, only a few odd lots being procurable.

The following purchases have been reported during the week:

[illegible] B/s	China Steam Filatures	Comet grade	X-1	12/22 Tls.	1230
130 ,,	,, ,,	Double Eagle grade	,,	,, ,,	1260
40 ,,	,, ,,	Centaure grade		,, ,,	1300
10 ,,	Shantung ,,	Tai San	13/15	1 ,,	1300
80 ,,	Meinchow ,,	Double Deer	11/13	1-2 ,,	1200
70 ,,	Meinyang Silk ,,	S. C.		1-2-3 ,,	535
100 ,,	Tsatlees ,,	Red Peacock		X-1 ,,	990

Shipment up to June 20, 1922.

	Season 1922/1923	Season 1921/1922
White Steam Filatures..	418 B/s	478 B/s
Yellow Steam Filatures.	12 ,,	52 ,,
White Silles.....	57 ,,	127 ,,
Yellow Silks.....	318 ,,	769 ,,
Tussahs.....	125 ,,	242 ,,

Yokohama: Reports a good demand for coarse size Shinshu No. 1 Superior is quoted at Yen 2000.

Shipments

Season 1921/1922 (July 1st to June 15 1922) 264,000 B/s
,, 1920/1921 ,, 148,000 ,,
,, 1919/1920 ,, 232,000 ,,

Canton: June 15, 1922:

Market: Sudden and violent fluctuation occurred on our market during the past fortnight. Prices, after a 10 percent drop within a few days, rose to a higher level than ever, under the influence of a strong demand from America. As a consequence, most filatures are spinning New Styles 14/16 and 20/22. Only a few chops are willing to produce long reels for Lyons.

At the close, the demand shows signs of decreasing. The market, however, remains firm. Native holders are willing to sell at the prices ruling to-day, but only for delivery not earlier than July/August.

3rd Crop:—This crop has practically all been gathered now. It is too soon to give an accurate estimate. A large crop is certain, probably more than 100,000 bales.

Shipments

Season 1921/1922 (May 1st 1922 to June 15, 1922) 9088 B/s
,, 1920/1921 ,, 5232 ,,

Shanghai Exchange for week ending Wednesday, July 5th, 1922.

By Maitland, Fearon and Brand

Fxchange:—The price of silver in London has shown a steady and gradual advance during the past week, and to-day's quotation of 36⅝d. ready and forward is ⅛d. higher than this day last week; the rise is said to be caused by China buying. Regarding the market locally, little comment is necessary, the official T/T rate on London was raised to 3/7d. on 30th June, since when it has remained uncharged. The undertone throughout has remained steady with a slightly easier feeling at the close, owing to speculative purchases of sterling, but apart from this very little business has been passing.

Our stocks of silver are reported as follows:—
Sycee and Bar Silver ..... Tls. 32,684,000 an increase of Tls. 673,000.
Chinese and Mexican Dollars ..... $ 33,920,000 an increase of $ 150,000.
Estimated value Tls. 57,106,000 as against Tls. 52,876,000 held at this time last year.

†	Average rates for June	Thurs. June 29	Friday June 30	Sat. July 1	Mon. July 3	Tuesday July 4	Wed. July 5
Bk's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	3/6.354	3/6⅛	3/7			3/7	3/7
D/Dfts. ,,	—	3/6⅜	3/7¼			3/7¼	3/7¼
4m/s ,,	—	3/7	3/7⅛			3/7½	3/7⅛
T/T India	270 292	269¾	273			273	271¾
T/T France	897.083	930	945			950	960
T/T N. Y.	78.458	78	79			79¼	79½
T/T H'kong	73.521	73⅛	74			74	74
T/T Japan	61.114	61⅛	61			60½	60½
T/T Batavia	207.552	208½	210½			210	210
T/T Straits	66.104	66	65¼			65¼	65¼
Bk's buying rates							
4m/s B/L. Cred. D/A	3/8.854	3/9	3/9½			3/9½	3/9½
4m/s ,, D/P	—	3/9¼	3/9¾			3/9¾	3/9¾
6m/s ,, ,,	3/9.354	3/9½	3/10			3/10	3/10
4m/s ,, ,,							
4m/s B/F. C., D/A, D/P	947.083	980	995			1000	1010
4m/s N.Y. Lc.	82 458	82	83			83¼	83⅛
4m/s ,, Docs	—	82½	83½			83¾	84

BANK HOLIDAY

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	June 29	June 30	July 1	July 3	July 4	July 5
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence.	36⅛	36⅛	36⅛	36⅜	36½	36⅝
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch	G. $.70¾ Tls. 295⁸⁰	G. $.70⅛ Tls. 292¹⁰	G. $. 70⅜	G. $. 70⅜	Tls. 292⁰⁰	G. $. 71⅛ Tls. 292⁷⁰
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	111⁰⁰	111⁰⁰			111⁰⁰	111⁰⁰
Shanghai Mexican Dollars per $100	71 575	71.5625			71.6125	71.65
Native Bank Rate of Interest (Callmoney)	7½%	7%			5%	5%
*Closing Price in London for Previous day.						

BANK HOLIDAY

Bank of England rate of discount	3½%	London on Paris	T/T 53.60
Bank of France rate of discount	4½%	London on Germany	T/T 1960
London open Market rate of Discount	3 m/s. 2⅛%	New York on London	T/T 443⅞
,, ,,	4 m/s. 2⅛%	Bombay on London	T/T 1/3⅝
,, ,,	6 m/s. 2⅛%	Hongkong on ,,	T/T 2/7⅛
		Yokohama ,, ,,	T/T 2/1⅞

What the Ships Carry Between America and China

(Taken from the Daily Returns of the Shanghai Customs from Saturday, June 3, to June 9, 1922)

(Key: Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Taels, Customs Rate May Tael 1.22 equal Gold $1)

S. S. Empire State, from U. S. A. May 11.

Cotton, Raw, Bls. 250	Pls.	860
Bones, Cow	,,	47
Butter	,,	1
Cheese	,,	25
Cocoa	,,	2
Fruits, Dried	,,	4
,, Fresh	,,	25
,, Table	,,	118
Glycerine	,,	8
Honey	,,	24
Ink, Printing	,,	399
Lead, Red	,,	84
,, White	,,	50
Leather, Sole	,,	334
Milk, Sterilized	,,	80
Nuts	,,	4
Oranges, Fresh	,,	24
Packing, India-rubber	,,	10
Paper, Carboard	,,	16
Pitch	,,	338
Prunes, Dried	,,	1/
Soda, Caustic	,,	841
Sugar, Cube	,,	136
,, Powdered	,,	23
Vegetables, Fresh	,,	18
Bath-tubs	Pcs.	24
Lemons	,,	183,150
Typewriters	,,	10
Canned Fish	Doz.	505
Canned Fruits	,,	217
Canned Meats	,,	123
Canned Vegetables	,,	221
Jams	,,	79
Cigarettes	Mille	43,000
Oil, Lubricating,	Galls	58,465

S. S. Kaga Maru, from U. S. A., May 13.

Wax, Paraffin	Pls.	846

S. S. Unita, from U. S. A., May 15.

Timber:

Softwood, Ordinary Sawn. Sup. ft. 2,342,850

S. S. Alaska Maru, April 23.

To San Francisco.

Egg Albumen, Dried	Pls.	75
Oil, Wood	,,	217

To New York.

Tea, Black, other Ports	,,	198
Antimony, Regulus	,,	840
Antimony, Oxide	,,	840
Bristles	,,	10
Camphor	,,	200
Feathers, Duck	,,	24
Feathers, Goose	,,	34
Oil, Wood	,,	3,457
Hats, Rush	Pcs.	158,400
Skins, Doe	,,	20,000

S. S. Volumnia, from U. S. A., May 16.

Sugar, Brown	Pls.	42,000
,, Refined	,,	42,000
Bags, Gunny, Old	Pcs.	6,000

S. S. Patrick Henry, May 23.

Oil, Wood	Pls.	4,072
Rhubarb	,,	31
Tallow, Vegetable	,,	50

S. S. West Greylock, from May 17. U. S. A.

Linen	Yds.	1,353
Waterproof Cloth	,,	3,502
Iron Pipe Fittings	Pls.	20
Iron, Galvanized: Pipes	,,	43
,, Channels, Old	,,	2,066
Tinned Plates, Plain	,,	691
Cheese	,,	3
Glucose	,,	51
Leather, Cow	,,	9
Milk, Condensed	,,	72
Paper, Printing	,,	414
Tobacco, Leaf	,,	199
Tobacco, Prepared	,,	2
Artificial Leather	Pcs.	16
Bedsteads	,,	12
Typewriters	,,	18
Cigarettes	Mille	64,750

S. S. Nanking, from U. S. A., May 17.

Iron, Galvanized:		
Soda, Caustic	Pls.	677
Zinc Sheet	,,	8
Almonds	,,	15
Bones, Cow	,,	92
Butter	,,	20
Canned Fruits, Table	,,	61
Cheese	,,	25
Leather, Sole	,,	71
Newspapers, Old	,,	420
Organes, Fresh	,,	477
Sugar, Refined	,,	53
,, Cube	,,	64
Typewriters	Pcs.	26
Lemons, Fresh	,,	140,250
Oil, Engine, Mineral	Galls.	10,404

S. S. Pine Tree State, from U. S. A., May 17.

Iron Plate Cuttings	Pls.	745
Cream, Evaporated	,,	804
Milk, Condensed	,,	36
Bedsteads	Pcs.	336
Cylinders	,,	21
Motor-cars	,,	5

Timber:

Softwood, Ordinary Sawn	Sup. ft.	594,181
Treasure, Silver Bars	Hk. Tls.	331,250

S. S. Kandahar., from U. S. A., May 18,

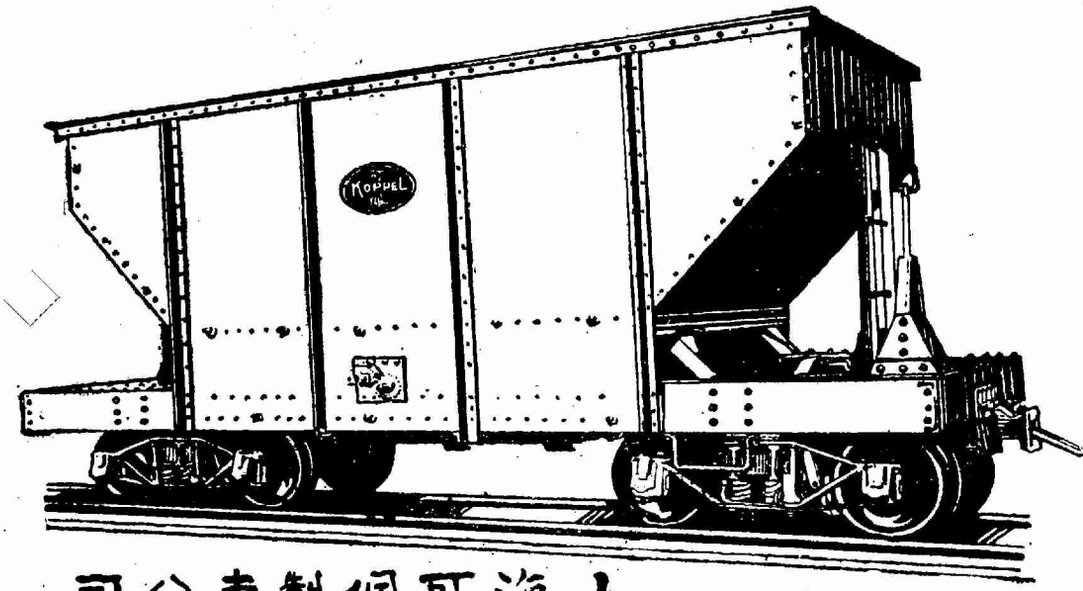
Iron Bars	Pls.	37
Iron Nuts	,,	65
Iron, Pipe Fittings	,,	131
Iron Pipes	,,	1,563
Iron Nails, Wire	,,	4,920
Alumina, Sulphate of	,,	750
Ammonia, Anhydrous	,,	24
Leather, Calf	,,	4
Tobacco, Leaf	Pls.	6,446
,, Prepared	,,	4
Motor-trucks	,,	4
Oilcloth	,,	960
Typewriters	,,	115
Shoes	Pairs	198
Cigarettes	Mille	84,000
Machinery	Hk. Tls.	10,178

S. S. Delagoa Maru, from U. S. A., May 18.

Drills, Grey, over 12¾ lb.	Pcs.	2,250
Artificial Silk Fancies	Yds.	301
Grease	Pls.	1,044
Stearne	,,	825
Wax, Paraffin	,,	3,447
Cigarettes	Mille	69 500
Oil, Lubricating	,,	105,558
Oil, Unclassed	,,	3,000
Machinery	Hk. Tls.	181,760

S. S. Alloway, from U. S. A., May 18.

Cotton, Raw, Bls. 980	Pls.	3,568
Copper Ingots	,,	5,040
Iron Nails, Wire	,,	1,500
Iron Pipes	,,	272
Calcium, Carbide of	,,	165
Carbon, Black	,,	7
Paper, Writing	,,	17
Sugar of Milk	,,	218
Lanterns	Pcs.	9 840
Scales	,,	422



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New Books and Publications

Russia Through Various Eyes

My Reminiscences of the Russian Revolution by M. Phillips Price. London: George Allen and Unwin.

Through the Russian Revolution, by Albert Rhys Williams. New York: Boni and Liveright.

Marooned in Moscow, by Marguerite E. Harrison. New York: George H. Doran Company.

With The Russian Army, 1914-1917, by Major-General Sir Alfred Knox. New York: E. P. Dutton and Company.

The Russian Revolution, by William Z. Foster. Chicago: The Trade Union Educational League.

Lenin, by M. A. Landau-Aldanov. New York: E. P. Dutton and Company

Japanese Intervention in The Russian Far East; and A Short Outline of the History of The Far Eastern Republic. Published by the Special Delegation of the Far Eastern Republic to The United States of America, Washington, D. C.

IT was inevitable that such a profound unheaval as the Russian Revolution should excite strong and varied reactions in the foreign observers who witnessed some phase of its development. This collection of recent books on Russia represents viewpoints about the Revolution which range from enthusiastic admiration to bitter hostility. To use the convenient jargon of European parliamentarism, the symposium includes three spokesmen of the Left, two of the Right and one who may fairly be called a Centrist.

From the historical standpoint, Mr. Price has written decidedly the best work that has yet appeared in English on the Russian Revolution. He is able to give a consecutive firsthand account of the events which took place from March, 1917, to December, 1918; for he was in Russia continuously during this period as correspondent for the Manchester Guardian. He saw perhaps as much of the Revolution as any foreigner could see. His knowledge of Russian made him independent of the services of propagandist interpreters. He did not make the mistake of spending all his time in Moscow and Petrograd, but travelled much in the country districts.

How the Russian workers defended their government in this crisis of 1918, how the hurriedly organized Red Army beat the counter-revolutionists on every front, how the Soviet Republic was saved from apparently certain destruction, all this makes a dramatic story; and Mr. Price tells it extremely well. He recreates for the imaginative reader a period of Russian history which, in its heroism and sacrifice, as well as in its darker episodes of mob hatred and terrorism, strongly suggests the memory of revolutionary France repulsing the assaults of the reactionary world in 1792 and 1793.

Mr. Price's narrative is an essential aid to the understanding of the Russian Revolution; and it is to be hoped that the work will some day be available in an American edition.

Albert Rhys Williams saw the Revolution in its most colorful and fluid stage, when street-fighting and speech-making had not yet given way to the more difficult and prosaic problems of political and economic administration. What he writes is a remarkably vivid and faithful emotional reflection of this early spontaneous phase of the movement. His narrative is dominated by the crowd psychology, it suggests nothing so much as a vast moving picture of the Russian masses in action.

The Russia which Mrs. Harrison visited in 1920 was quite different from Mr. Williams' Russia of 1918. Under the hammering of civil war and foreign invasion Soviet Russia had developed into a highly centralized state, with a well disciplined army, an extensive bureaucracy and a very active espionage system. Mrs. Harrison having crossed the border without the permission of the Soviet authorities, soon ran afoul of the latter organization and spent more than half of her stay in Russia in prison. The tone of her book, however, is not embittered by this fact. She very frankly admits that her own conduct gave the Soviet government at least technical justification for arresting her. And bearing in mind that she is theoretically opposed to socialism and that her friends in Russia appear to have been drawn entirely from non-Communist circles, her narrative must be considered remarkably fair.

General Knox makes the impression of a thoroughly unimaginative military specialist. While able to put his finger on the many weak points in Russian military organization, to analyze the reasons for the disastrous defeats of the Russian armies on the eastern front, a development like a social revolution, which is not discussed in military staff colleges, leaves him floundering in perplexity and futile rage. Confronted with the irresistible disintegration of the Russian army in the summer of 1917, he can suggest no causes more fundamental than the propaganda of the Bolsheviki and the weakness of the Kerensky government. Had he possessed less knowledge of military strategy, and more knowledge of human nature, some connection, in his mind, might have been formed between the spectacle of Russian soldiers driven like sheep to the slaughter for lack of arms and equipment and the spectacle of the survivors of these soldiers refusing to fight in a war whose aims had never been satisfactorily explained to them.

It might have been anticipated that William Z. Foster would sympathize wholeheartedly with the Soviet government. The Communist dictatorship corresponds precisely with Foster's theory of the dominant role which the militant minority must play in any labor struggle. Since he sees the Russian Revolution as a gigantic strike against the capitalist world, and interprets many of its developments in terms of trade union tactics, his booklet is perhaps more interesting for its vigorous exposition and defense of the theory of proletarian dictatorship than for its historical material. Some of the subjects discussed in the book are treated hastily and superficially, and the author, in his desire to defend the Soviet regime against the attacks of its enemies, sometimes appears to confuse aspiration with fact.

There is little historical or psychological merit in M. Landau-Aldanov's venomous biographical dissection of Lenin. In the first place the author is careless in his choice of material, setting down gossipy anecdotes current in emigre circles, which would probably not stand any very searching tests of historical validity. Moreover, his sketch of Lenin as a doctrinaire bigot does not fit the man whose name is associated with all the most radical practical departures from strict communist theory.—*The New Republic.*

The United States Court for China

(Established by Act of Congress of June 30, 1906)

JUDGE, Charles S. Lobingier.
DISTRICT ATTORNEY, Leonard G. Husar
COMMISSIONER, Nelson E. Lurt ...
CLERK, William A. Chapman.
DEPUTY CLERK, L. Macoubrey.
MARSHAL, DISBURSING OFFICER, } Thurston R. Porter.
DEPUTY MARSHAL, Wm. Van Buskirk.
OFFICE HOURS 9-1; 2-5.

TIENTSIN:

SPECIAL DEPUTY MARSHAL, I. A. Landesman.

All Notices, Announcements, Judgments, Orders and other Proceedings appearing in this department of *The Weekly Review* may be accepted as authentic

Motion Day.

All contested motions and demurrers will hereafter be heard on Mondays, beginning at 3 P. M.; provided notice thereof with proof of service on the adverse party or his attorney shall have been filed in the Clerk's office by 1 P.M. of the preceding Saturday.

Minutes of Recent Proceedings

Hearings:

(Before the Commissioner)

June 29, 1922, Cause No. 1105, A. G. de Sherbinin & Co. v. United States Trading Corp.; deposition taken of Daub.
" 30, " " " 1638, Chu v. T. Mesa & Co.; hearing on demurrer.
July 1, " " " 1787, Marble v. Sternberg; testimony taken of defendant.
" " " " " 1796, U. S. v. Crawley; testimony taken of Chow Ching Fong, Wong Sung Ling, A. S. Kavanagh, Hayes and defendant.
" 3, " " " 1695, U. S. v. Boyd; in re application to fix bond.
" " " " " 1702, U. S. v. Boyd; in re application to fix bond.

Judgments and Orders:

(By the Commissioner)

July 1, 1922, Cause No. 1787, Marble v. Sternberg; judgment and costs in plaintiff's favor.
" " " " " 1796, U. S. v. Crawley; dismissed.
" 3, " " " 1695, U. S. v. Boyd; bond fixed in the sum of Gold $10,000.00.
" " " " " 1702, U. S. v. Boyd; bond fixed in the sum of Tls. 5,000.00.

Miscellaneous Filings:

June 28, 1922, Cause No. 1773, Railton & Co. Ltd., v. Sonn Bros. Import and Export Co, Inc.; answer,

In the U. S. Court for China

MARY VICTORIA TREADWELL, Plaintiff,
—v—
LAWRENCE TREADWELL, Defendant.

Cause No. 1770
Civil No. 621
SUMMONS TO ANSWER
Filed June 14, 1922.
W. A. CHAPMAN
Clerk.

The President of the United States of America
to the United States Marshal for China and his Deputies: *GREETING:*

You are hereby commanded to serve this Summons to Answer and a copy of the Complaint in the above entitled action upon the defendant—

LAWRENCE TREADWELL,

if found within the jurisdiction of this Court and to notify him to be and appear before this Court on or before the twentieth day after service hereof to file his written answer on oath.

(SEAL) WITNESS the HONORABLE CHARLES S. LOBINGIER, Judge of the United States Court for China, at Shanghai, China, June 14, 1922.
W. A. Chapman, Clerk.

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

June 28, 1922, Cause No. 1779, Dodge & Seymour (China) Ltd. v. H. S. Janes, Receiver, et al.; marshal's return of summons to answer.
" " " " " 1792, Moore v. Far East Trading Co.; marshal's return of summons to answer.
" 29, " " " 1798, Shanghai Trust Co. v. Hexamer; petition; summons to answer issued; marshal's return of summon to answer.
" " " " " 1105, A. G. de Sherbinin & Co. v. U. S. Trading Corp'n; affidavit.
" " " " " 1789, Kwang Fah Electrical Co. v. Finkelstein; answer.
" 30, " Corp'n " 18, Journal of Commerce Press; annual statement.
" " " " " 99, The Oriental Industrial Co.; annual statement.
" " " Cause " 1792, Moore v. Far East Trading Co. Inc.; demurrer.
" " " " " 1799, In re Last Will and Testament of Amasa S. Fobes, deceased; depositions; petition; order; oath of executrix; bond of executrix; letters testamentary.
July 1, " " " 1800, Banque Belge Pour L'Etranger v. Montgomery, Ward & Co.; petition; summons to answer issued.
" " " Corp'n " 74, International Finance and Exchange Co. Inc.; annual statement.
" " " Cause " 1801, North v. Andersen, Meyer & Co. Ltd.; complaint; summons to answer issued.
" " " " " 1796, U. S. v. Crawley; order.
" 3, " " " 1717, Cromwell v. Hexamer; marshal's return of writ of attachment.
" " " Cosmos Commercial Corporation; articles of incorporation.
" " " " " 1795, U. S. v. Boyd; warrant for recommitment; order.
" " " " " 1702, U. S. v. Boyd; order.